

for Taiwan; to the Committee on Government Operations.

2113. A letter from the Assistant Secretary of the Interior, relative to reporting that an adequate soil survey and land classification of the lands in the San Luis unit, Central Valley project, California, has been completed as a part of the investigations required in the development of a definite plan report, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2114. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with Lumadrama, Inc., which will authorize the corporation to provide and conduct for the public within Independence National Historical Park a program consisting of an artistic blending of the spoken word, music, and sound lighting effects for the dramatizing, at night, of the historic surroundings and events for which they are preserved, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

2115. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend section 249 of the Immigration and Nationality Act"; to the Committee on the Judiciary.

2116. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to define the term 'child' for lump-sum payment purposes under the Civil Service Retirement Act"; to the Committee on Post Office and Civil Service.

2117. A letter from the Under Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 23, 1962 the following bill was reported on May 26, 1962:

Mr. MILLS: Committee on Ways and Means. H.R. 11879. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes; without amendment (Rept. No. 1738). Referred to the Committee of the Whole House on the state of the Union.

[Submitted May 28, 1962]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 9243. A bill to amend the Civil Functions Appropriation Act, 1952, in order to designate the reservoir created by the John H. Kerr Dam as "Buggs Island Lake"; without amendment (Rept. No. 1739). Referred to the House Calendar.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 11735. A bill authorizing the change in name of the Beardstown, Ill., flood control project, to the Sid Simpson flood control project; without amendment (Rept. No. 1740). Referred to the House Calendar.

Mr. DAVIS of Tennessee: Committee on Public Works. House Joint Resolution 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as "Lake Kaweah"; without amendment (Rept. No. 1741). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary, House Joint Resolution 627. Joint resolution extending the duration of copyright protection in certain cases; with an amendment (Rept. No. 1742). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 11915. A bill relating to the checking, spending, and quarterly payment of appropriations for the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. BAILEY:

H.R. 11916. A bill to authorize the Secretary of the Interior to provide financial assistance to States in research programs to improve the conservation of fish in reservoirs; to the Committee on Merchant Marine and Fisheries.

By Mr. FINDLEY:

H.R. 11917. A bill to reduce Government air travel costs; to the Committee on Government Operations.

By Mr. HALPERN:

H.R. 11918. A bill to establish in the Bureau of Customs the U.S. Narcotics Division in order to improve the enforcement of the narcotics and other antismuggling laws; to the Committee on Ways and Means.

By Mr. HOLIFIELD:

H.R. 11919. A bill to establish the Capitol Hill National Historical Park and to provide for the protection and preservation of its historic character, dignity, and environment; to the Committee on Interior and Insular Affairs.

By Mr. MCINTIRE:

H.R. 11920. A bill to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel; to the Committee on Interstate and Foreign Commerce.

By Mr. MORGAN:

H.R. 11921. A bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. O'HARA of Illinois:

H.R. 11922. A bill to amend the law relating to pay for postal employees; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Michigan:

H.R. 11923. A bill to require air carriers to inspect for destructive substances all articles taken aboard certain aircraft operated by them in air transportation; to permit persons injured by failure of an air carrier to so inspect to bring an action for damages against the air carrier; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 11924. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate secondary libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 11925. A bill to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON:

H.J. Res. 722. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of

the class other than Members of Congress; to the Committee on House Administration.

By Mr. ANDERSON of Illinois:

H. Res. 669. Resolution amending clause 2(a) of rule XI and clause 4 of rule XXI of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. ROGERS of Texas:

H. Res. 670. Resolution providing for an investigation and study of the production, distribution, and exhibition of objectionable motion pictures and related advertising by the Committee on Interstate and Foreign Commerce, acting through a special subcommittee; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 11926. A bill for the relief of Josefina Evangelista Blanco; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 11927. A bill for the relief of Salvatore Orlando; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 11928. A bill for the relief of Salvador Munoz-Tostado; to the Committee on the Judiciary.

By Mr. O'HARA of Michigan:

H.R. 11929. A bill for the relief of George Zammit; to the Committee on the Judiciary.

H.R. 11930. A bill for the relief of Dr. Mamdouh S. Younes; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 11931. A bill for the relief of Lin Hong King also known as Tan Chow Sow; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

360. The SPEAKER presented a petition of R. M. Carpenter, city administrator, Oroville, Calif., relative to expressing opposition to Federal income taxation of interest derived from public bonds, which was referred to the Committee on the Judiciary.

SENATE

(Legislative day of Friday, May 25, 1962)

MONDAY, MAY 28, 1962

The Senate met at 10:30 o'clock a.m., on the expiration of the recess, and was called to order by Hon. MAURINE B. NEUBERGER, a Senator from the State of Oregon.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Love Divine, at the day's beginning we would lift our souls in communion with Thee, our God, who alone giveth meaning to the brief days and months and years we call life. Draw close to us, we pray, one by one, for we can do nothing worthy together unless singly we are clean and strong.

May this sacred cloister of prayer, with its daily altar where our fathers have paused, be to us a height of clear seeing and of deep believing, bringing a sense of new power, of new serenity, of new hope, for ourselves and our world.

To this end we lay before Thee our problems and our tasks, not that we may

leave them here, but that we may see them in the light of Thy grace and power, and then—

Help us to spread Thy gracious reign
Till greed and hate shall cease,
And kindness dwell in human hearts
And all the earth find peace.
Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 28, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MAURINE B. NEUBERGER, a Senator from the State of Oregon, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mrs. NEUBERGER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 25, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ANNOUNCEMENT OF CALENDAR CALL TOMORROW

Mr. MANSFIELD. Madam President, I announce that it is likely the Senate will have a call of the calendar at the conclusion of morning business tomorrow.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS

Mr. MANSFIELD. Madam President, there will be no morning hour. What is the pending business?

The ACTING PRESIDENT pro tempore. Under its order of Friday last, the Senate will now resume the consideration of S. 2965, providing for acceleration of public works programs, and the question is on agreeing to the amendments proposed to the bill by the Senator from Oklahoma [Mr. KERR] on behalf of the Committee on Public Works.

Debate thereon is limited to 1 hour, to be controlled by the Senator from

Oklahoma [Mr. KERR] and the majority leader if he is not in favor of the committee amendments; otherwise by the minority leader for the opposition.

The Senate resumed the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum, and ask that the time necessary for the call of the roll not be taken out of the allotted time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 67 Leg.]

Alken	Fong	Muskie
Bennett	Gore	Neuberger
Bible	Hart	Pastore
Boggs	Hruska	Pearson
Burdick	Johnston	Prouty
Bush	Jordan	Proxmire
Byrd, W. Va.	Keating	Randolph
Cannon	Kerr	Robertson
Case, S. Dak.	Lausche	Scott
Chavez	Long, Hawaii	Smith, Mass.
Clark	Mansfield	Thurmond
Cooper	McCarthy	Williams, Del.
Curtis	McNamara	Yarborough
Dirksen	Metcalfe	Young, N. Dak.
Dodd	Miller	Young, Ohio
Douglas	Moss	

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Louisiana [Mr. ELLENBERGER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], and the Senator from Idaho [Mr. CHURCH] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. KERR. Madam President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, Mr. ANDERSON, Mr. BEALL, Mr. BYRD of Virginia, Mr. CASE of New Jersey, Mr. COTTON, Mr. DWORSHAK, Mr. EASTLAND, Mr. ENGLE, Mr. GOLDWATER, Mr. HARTKE, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. KEFAUVER, Mr. LONG of Louisiana, Mr. McCLELLAN, Mr. McGEE, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MURPHY, Mr. PELL, Mr. RUSSELL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. TOWER, Mr. WILEY, and Mr. WILLIAMS of New Jersey entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. A quorum is present.

Mr. KERR. Madam President, I ask unanimous consent that the amendments offered by myself and other Senators be considered en bloc.

Mr. ROBERTSON and Mr. CURTIS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized.

Mr. ROBERTSON. Madam President, the Senator from Virginia, as he has said on several occasions heretofore, is very much opposed to the provision in the committee bill which would authorize what we call back-door financing to the extent of \$2 billion. We are pleased that a provision of the pending amendment to the committee bill, on page 3 of the amendment, would eliminate that \$2 billion of authorization. The pending amendment also would raise the amount of appropriated funds to \$750 million for the immediate program, and would provide an additional \$750 million for the standby program if certain things should happen.

I should like to inquire whether it would be agreeable with our distinguished colleague who is in charge of the bill, the patron in chief of the amendments, to ask that the Senate vote first on the provision on page 3 of the amendments which would take out all of the backdoor financing authority. As far as I know, every Senator will vote for that. So much of the amendments could be adopted, and then the debate could come on the remainder.

Under those circumstances I would offer no objection to having the remainder of the amendments considered en bloc.

Mr. CASE of South Dakota. Madam President, reserving the right to object, I think we would make faster progress if we would consider the amendments in three categories.

First, the amendment to which the Senator from Virginia has called attention deals with back-door financing. I think there would be no particular problem about that amendment.

There remain two other classes of amendments in the group offered by the Senator from Oklahoma. One would strike out the 12½-percent requirement as to States. That I think could not be agreed to.

Mr. KERR. Madam President, will the Senator yield?

Mr. CASE of South Dakota. The other portion would reduce the amount from the \$2.6 billion in the bill as reported by the committee to a total of \$1½ billion as now proposed by the Senator

from Oklahoma, and probably would be agreed to as a perfecting amendment.

In due course, when the perfecting amendments are out of the way, the Senator from South Dakota expects to offer for himself and other Senators a substitute amendment which would proceed on an entirely different course.

Madam President, I yield to the Senator from Oklahoma.

Mr. KERR. The Senator said that the amendment of the Senator from Oklahoma and others would strike out the provision which would limit the expenditure of funds under the bill to not to exceed 12½ percent in any one State.

Mr. CASE of South Dakota. I referred to page 2—

Mr. KERR. I did not intend to strike them out. If I did, it was inadvertent. I intended to keep that provision intact in the bill and had not intended that the amendment that I was sponsoring should strike that provision from the bill. If it does strike it from the bill, I will eliminate that part from the amendment which I am offering, if the Senator will be so kind as to show me where it would have the stated effect.

Mr. CHAVEZ. Madam President, I am chairman of the committee, and I thank all the members of the committee for their fine cooperation. Due to my health, the fine Senator from Oklahoma [Mr. KERR] has consented to handle the bill. But I wish every member of the Committee on Public Works to have his say. The Senator from West Virginia [Mr. RANDOLPH] has contributed to what we are trying to do for the country. The Senator from South Dakota [Mr. CASE], notwithstanding the many points on which I disagree with him, has cooperated. The committee is a constructive one, and I trust my good friend from Oklahoma will continue to handle the bill for me.

Mr. KERR. Madam President, I have a statement which my good friend the Senator from New Mexico, has prepared. I shall ask the clerk to read it as soon as the parliamentary situation is cleared up.

Mr. CASE of South Dakota. Madam President, the amendments to which I alluded are those on page 2 of the print of the amendments proposed by the Senator from Oklahoma [Mr. KERR] for himself and other Senators. Beginning at line 14, on page 2, of that print the following appears:

On page 7, line 10, beginning with the colon, strike out all to the period in line 13.

That language reads: "Provided, That the aggregate of all funds prescribed by the President for the purpose of this section shall not exceed the applicable limitation in section 10(b)."

It seems to me that in striking out that language, the Senator from Oklahoma would clearly remove the limitation.

Again:

On page 8, line 3, beginning with the colon, strike out all to the period in line 5.

If the language stated is stricken, it seems to me that the limitation would be stricken out.

The next amendment, which is shown at line 18 of the pending group of amendments, reads as follows:

On page 9, line 20, beginning with "That" strike out all through "And provided further," in line 23.

Referring to page 9, the language commencing at line 20 reads as follows: "Provided, That the aggregate of all funds prescribed by the President for the purposes of this section shall not exceed the applicable limitation in section 10(b)."

So those three amendments proceed to strike out limitations that were in the original text.

Mr. KERR. The Senator has referred to phrases that have to do with the authorization. On page 13 of the bill, beginning with line 3, the following language appears:

(b) In the choice of projects and programs, preference shall be given to areas within States in which unemployment is above the national average or in which family income is below the national average, but assistance shall not be limited to such areas, and not more than 12½ per centum of the aggregate funds provided for projects and programs pursuant to section 4, 5, 6, and 7 of this Act shall be made available within any one State.

Mr. CASE of South Dakota. Madam President, I am not objecting to that amendment. That amendment has already been agreed to in the amendments that were agreed to en bloc. That is one of the committee amendments to the bill. But without considerable reading, cross reference and so forth, it would seem that the three amendments to which I have referred would clearly strike out limitations that were in the original bill. In addition to the three which I have cited, the one which is proposed at line 20 in the amendment group for page 10, line 20, reads as follows:

On page 10, line 20, beginning with "and without regard" strike out all to the period in line 22.

That language is as follows: "and without regard to any limitation on the aggregate amount of funds which may be prescribed by the President for the purposes of any such section."

So again an amendment is now proposed which would strike out either a limitation in the original text or in one of the amendments that was agreed to en bloc.

I recognize that some new limitation may be proposed in the language already agreed to on page 13. I have no objection to that. I believe that the limitation is in the interest of improving the bill. But I do not understand why, in the four separate amendments for pages 7, 8, 9 and 10, the limitations that were in the original bill should be eliminated.

Mr. KERR. Madam President, I understood the Senator from South Dakota to say that his objection was to the fact that the amendments offered by the Senator from Oklahoma and other Senators would strike from the bill the limitation that not more than 12½ percent of the amount provided would be spent in any one State. If there are other limitations in the committee amendments to

the striking of which the Senator objects, I should be glad to discuss those with him, because it was not my intention, nor that of the other Senators, to remove from the committee bill any appropriate restrictions which the committee had agreed to, but to conform the bill, if my amendment were agreed to, to operation on the greatly restricted basis of a single authorization for fiscal year 1963 and another authorization for 1964, in the event that certain conditions should develop. If it is agreeable to the Senator from South Dakota, we will handle the matter referred to by the Senator from Virginia and then I shall be glad to have the opportunity to consult with the Senator from South Dakota with reference to his request.

Mr. CASE of South Dakota. Madam President, I support the suggestion of the Senator from Virginia that the Senate concur in the amendment to strike out the fuzzy financing.

Mr. KERR. In order that we may proceed on a constructive and friendly basis, I wonder if the Senator will describe the language he refers to in terms of its identification rather than his reaction to it.

Mr. CASE of South Dakota. I shall leave that to the Senator from Virginia.

Mr. ROBERTSON. I shall be glad to do so. Does the Senator mean the language that I wish to have agreed to?

Mr. KERR. I indulged in a little play with the Senator from South Dakota in relation to his reference to "fuzzy language."

Mr. ROBERTSON. There is no question about the language on page 13 proposed by the distinguished Senator from Oklahoma not being fuzzy. Commencing in line 11 the amendment states:

On page 13, beginning with line 21, strike out all through line 14 on page 15 and insert in lieu thereof the following:

"APPROPRIATIONS AUTHORIZED

"SEC. 10. (a) There is authorized to be appropriated for expenditure after June 30, 1963, to remain available until expended, the sum of \$750,000,000 to carry out the provisions, other than section 8, of this Act."

That strikes out all of the so-called back-door financing and inserts in the bill provisions for direct appropriations.

Mr. KERR. If the request of the Senator from Virginia is that we consider the amendment to strike from the bill the provision for procurement of funds in any manner other than by authorization and appropriation, the Senator from Oklahoma is agreeable to the consideration and adoption of that part of the amendment which does that.

Mr. ROBERTSON. My point is this: Apparently every Senator is willing to vote to strike out the \$2 billion of back-door financing.

To do that all we need do is adopt 2½ lines of the amendment which I have just read, as follows:

On page 13, beginning with line 21, strike out all through line 14 on page 15.

That would eliminate the back-door financing.

Mr. CASE of South Dakota. I wish to be sure that we understand what we are doing. What I am afraid of is that the

suggestion would increase the \$600 million to \$750 million.

Mr. KERR. That is not what the Senator from Virginia has asked for. The Senator's request might eliminate the 12½ percent limitation. I believe that the suggestion of the Senator from Oklahoma would effect what the Senator from Virginia has in mind; namely, an amendment which would strike from the bill provisions for authority for spending other than by means of provisions in the amendment for direct authorization and appropriation.

Mr. ROBERTSON. That would be agreeable.

Mr. KERR. That meets the objections of the Senator from Virginia, I believe.

Mr. ROBERTSON. That is correct.

Mr. KERR. It is agreeable to the Senator from Oklahoma that that be done.

Mr. CASE of South Dakota. Was that not done by the amendments that were agreed to en bloc?

Mr. KERR. No. The amendments which were agreed to en bloc were to the bill as the bill came to the Senate, and the bill as it came to the Senate provided for \$2 billion of standby authority to be obtained from certain sources and under certain conditions and in a certain manner.

Mr. ROBERTSON. That is correct.

Mr. CASE of South Dakota. Are we talking about the amendment as proposed by—

Mr. KERR. The Senator from Virginia is talking about the amendment offered by the Senator from Oklahoma and other Senators on Friday of last week, as set forth in the CONGRESSIONAL RECORD beginning at page 9351 of May 25, 1962.

Mr. CASE of South Dakota. Madam President, I should like to ask the distinguished Senator from Oklahoma which amendment it is, specifically, of the amendments in the group that he is offering, to which the Senator from Virginia refers.

Mr. KERR. I will let the Senator from Virginia answer that question.

Mr. ROBERTSON. New language will have to be drawn because, as proposed in the pending amendment, the elimination of \$2 billion is tied into the insertion of new direct funds. As so succinctly stated by the Senator from Oklahoma, all we need to do is ask unanimous consent to adopt so much of his amendment as relates to the elimination of the \$2 billion of funds which the committee will draw from the reserves of the FDIC, and other agencies. It has nothing to do with the authorization for a total of a billion and a half dollars.

Mr. KERR. The Senator from Virginia is correct.

Mr. ROBERTSON. It is as simple as that. If the Senator from Oklahoma asks unanimous consent that so much of the amendment, appropriately worded, be adopted, I believe there would be no objection.

Mr. CASE of South Dakota. To make this concrete, if Senators will refer to the bill as reported by the committee, S. 2965, and turn to page 13, they will find at the

bottom of page 13 a paragraph headed "Appropriations and Interim Financing."

That continues over to the end of line 14 on page 15. That language is proposed to be stricken by the amendment in the group of amendments which provides:

On page 13, beginning with line 21, strike out all through line 14 on page 15 and insert in lieu thereof the following:

And so forth. I have no objection to that amendment, because it does change the \$2 billion authorization for using debt receipts of the Treasury for financing public works, and converts it into an authorization for appropriations of \$750 million after June 30, 1963.

The reduction from \$2 billion worth of debt receipt financing, back-door financing, fuzzy financing, and converting it into an authorization for appropriation of \$750 million, is desirable.

I believe that the language which was originally used in asking for unanimous consent dealt with the amendment on page 10, line 23, which would boost the \$600 million to \$750 million. To that I did not want to agree.

Mr. KERR. The Senator from Virginia made it very clear that he was not asking for the adoption of the language authorizing the \$750 million. He made it very clear that he was asking that consideration be given, first, to that part of my amendment which eliminated the authority to finance from unobligated balances and provide a situation whereby the financing would be on the basis of authorization and appropriation. He made it very clear that he did not intend to support the amendment even after his suggestion had been complied with, if it were; but it is perfectly agreeable to the Senator from Oklahoma to comply with the request of the Senator from Virginia.

Mr. CASE of South Dakota. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CASE of South Dakota. Is an amendment to strike and insert divisible?

The ACTING PRESIDENT pro tempore. It is not divisible.

Mr. ROBERTSON. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ROBERTSON. The proposed unanimous-consent agreement does not involve a striking and inserting. We read from the amendment itself:

On page 13, beginning with line 21, strike out all through line 14 on page 15.

That is all there is to it.

Mr. CASE of South Dakota. The Senator goes on to say: "and insert in lieu thereof the following."

Mr. ROBERTSON. But I did not read that part of it.

Mr. CASE of South Dakota. If it will be offered thus separated, I am agreeable to it.

Mr. KERR. I repeat that it is perfectly agreeable to me to separate the amendment at this point into two parts: First, the language which would strike from the bill authority to expend from public debt receipts, and so forth,

moneys designated in the bill or, for that matter, from any source other than by direct authorization and appropriation, but would leave the amendment as submitted by the Senator from Oklahoma in its entirety, with the exception that we had already acted upon, that part of it which would eliminate financing from any source other than authorization and appropriation.

Mr. CASE of South Dakota. Then I assume that if the first amendment shall be agreed to, it would be the equivalent of making the amendment read: "On page 13, beginning with line 21, insert in lieu thereof," and would strike out the matter following.

Mr. KERR. That is correct.

Mr. CASE of South Dakota. So that would leave the question to be acted upon.

Mr. KERR. That is correct.

Mr. CASE of South Dakota subsequently said: Mr. President, I ask unanimous consent that the statement of minority views which appears at pages 19, 20, and 21 of the committee report on the bill may follow the remarks I made earlier on the history of the proposed legislation.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS

We oppose the bill as reported by the committee.

The bill S. 2965, as reported with amendments, would combine a short-term program of grants for local public works in the amount of \$600 million with a longer term standby program for authorized or unauthorized public works of greater magnitude in the amount of \$2 billion for a total of \$2,600 million to be expended under Presidential direction without specific authorization by Congress.

The \$600 million for the short-term program would be provided by and subject to review by the Appropriations Committees of the Congress. The \$2 billion for the standby program would be provided by giving the President authority to transfer money heretofore authorized for specific programs to those he might select.

Apart from any opinions about the need or desirability of Federal financing to provide employment, the Congress should be on notice that what is proposed here is a transfer of the power of the purse from the legislative branch of Government to the executive. The language which would do this is found in paragraph (b) of section 9 at page 11 of the bill as reported.

It will be noted that in an effort to meet this question when raised in committee, an amendment was adopted which would limit this power to certain selected unspent authorizations for funding. This should emphasize the nature of the proposal that is being made.

Originally, when this was pointed out, the language was wide open and would have permitted specific appropriations yet unobligated for such purposes as veterans hospitals, flood control projects, or heavy bombers to be transferred to the wide range of projects set forth in paragraph (b), section 9, page 10 of the bill, as introduced. Under questioning, Secretary Goldberg admitted this was possible and perhaps should be modified or restricted somewhat.

The inclusion of the "revolving funds," for instance, would have made it possible to take the money paid back by borrowers to the Farmers Home Administration into

the FHA revolving fund and transfer it to the building of sidewalks in a depressed city. That did not appeal to the committee; restricted lists were asked for. They follow:

A. Selected list of estimated unobligated balances as of June 30, 1962

	Millions
International Bank for Reconstruction and Development.....	\$5,715
HHFA, all programs.....	18,826
FDIC (borrowing authority).....	3,000
FSLIC (borrowing authority).....	750
FHLB (borrowing authority).....	1,000
Total.....	19,291

¹ Includes \$2,390,000,000 of contract authority.

B. Second list of estimated unobligated balances as of June 30, 1962 (related programs)

	Millions
HHFA, all programs.....	\$8,826
Agriculture, FHA (rural housing) --	353
Federal Deposit Insurance Corporation.....	3,000
FSLIC (Federal Savings & Loan).....	750
FHLB (Federal Home Loan Bank) --	1,000
DOD military construction:	
Air Force.....	157
Army.....	87
Navy.....	88
Total.....	14,261

¹ Includes \$2,390,000,000 of contract authority.

C. Third list of estimated unobligated balances (covered in bill as reported) as of June 30, 1962

	Millions
International Bank for Reconstruction and Development.....	\$5,715
HHFA (borrowing authority).....	5,416
FDIC (borrowing authority).....	3,000
FSLIC (borrowing authority).....	750
FHLB (borrowing authority).....	1,000
Total.....	15,881

Examination of the lists indicates that the reverse would now be true; namely, that under any of the restricted lists, funds available for building houses in towns or cities under situations previously judged by Congress to be worthy could now be transferred to sewage disposal projects, rural drainage or flood control projects, etc. Apparently even a borrowing authority of \$3 billion to underwrite the guarantees of the Federal Deposit Insurance Corporation and \$750 million to secure insured savings in the FSLIC could be drawn on to fund this program.

The members who subscribe to this statement of views want the Congress and the country to realize the principle that is here involved: even as restricted in the final (C) listing, almost \$16 billion worth of specific fundings could be raided by selection of the President for spending on projects not specifically otherwise authorized.

It should be borne in mind, as well, that the raid to whatever extent it is conducted either would mean the denial of some spending proposed in the current budget proposals or the addition to the spending budget of the amounts used. The budget proposed by the administration was originally "in precarious balance." The tax bill as passed by the House put it out of balance. Any additional spendings, whether by the device proposed in section 9(b) or appropriated by regular processes, would throw the budget still further out of balance. So, this is deficit spending, made easier perhaps but by the same token more insidious and menacing through the device proposed in section 9(b) of S. 2965.

The language in the bill authorizing appropriations to restore the impaired borrowing authority extends the injury.

Note that a large part of these fundings are in the category of "borrowing authority" which generally means not merely deficit financing but the so-called back-door financing, the selling of obligations by the authorized agency to the Treasury and then requiring the funds that agency borrowed on the strength of its programs to be available for transfer by the President to other programs, both authorized and not otherwise authorized.

This might be termed side-door financing or even slide-door financing—now you see it, now you don't.

Would any committee of the Congress directly agree that funds which it had made available for a well-considered program, once provided, should become subject to reappropriation by Presidential decree to programs under the jurisdiction of other committees? It does not seem possible; the thing can be done only if Members of the Congress are looking the other way or are so dazzled by the mirages of the New Frontier that they are temporarily entranced.

If some other committee were to venture to give to the President authority to take away from funds authorized by this committee for duly authorized public works projects, and transfer them to the fields of other committees, we think our committee would unanimously protest and resist. We do not think our committee under the persuasive magnetism of the President's special message of February 19 should do to other committees what it would not want done unto itself.

FRANCIS CASE,
WINSTON L. PROUTY,
HIRAM L. FONG,
J. CALEB BOGGS,
JACK MILLER.

Mr. KERR. Madam President, I ask unanimous consent that the suggestion of the Senator from Virginia [Mr. ROBERTSON], as outlined by the Senator from Oklahoma, be agreed to.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Virginia to strike out the language "on page 13, beginning with line 21, through line 14, on page 15"?

Mr. KERR. That would leave the amendment, then, with the language that is necessary to effectuate the authorization as provided for in the amendment of the Senator from Oklahoma.

Mr. DIRKSEN. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DIRKSEN. I want to be certain that we are confronted with a simple motion to strike language on pages 13, 14, and 15, and that the motion is not encumbered with a provision to insert.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DIRKSEN. It is simply a motion to strike?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. CLARK. Madam President, who has the floor?

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma has the floor.

Mr. CLARK. Madam President, will the Senator from Oklahoma yield for a question?

Mr. WILLIAMS of Delaware. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. Do I correctly understand, as the agreement has been entered into, that the pending motion is: On page 13, beginning with line 21, to strike out all through line 14 on page 15?

The ACTING PRESIDENT pro tempore. The Senator from Delaware is correct.

Mr. WILLIAMS of Delaware. Madam President, on that motion, I ask for the yeas and nays.

Mr. CLARK. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. Do I correctly understand that the Chair has ruled that once the language beginning on page 13 and continuing to the middle of page 15 has been stricken, there will remain the following language:

Section 10 (a). There is authorized to be appropriated for expenditure after June 30, 1963, the sum of \$750 million to carry out the provisions, other than section 8, of this Act.

Mr. WILLIAMS of Delaware. That language would be offered as a separate amendment. That is included in the amendment of the Senator from Oklahoma.

Mr. CLARK. I am asking the Chair for a parliamentary ruling.

The ACTING PRESIDENT pro tempore. Will the Senator from Pennsylvania state the page to which he is referring?

Mr. CLARK. Page 13. My parliamentary inquiry is: If the motion of the Senator from Virginia shall be agreed to, would the language at the bottom of page 13, starting with line 22, then read:

Section 10 (a). There is authorized to be appropriated for expenditure after June 30, 1963, the sum of \$750 million to carry out the provisions, other than section 8, of this Act.

The ACTING PRESIDENT pro tempore. No, that language would be removed, but would have to be reoffered.

Mr. CLARK. Madam President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. If the motion of the Senator from Virginia shall be agreed to, is, then, no authorization for appropriations left remaining in the amendment of the Senator from Oklahoma?

The ACTING PRESIDENT pro tempore. The authorization would then be in the language of that which is proposed to be inserted in lieu thereof.

Mr. CLARK. Therefore, the amount of the authorization would depend on a later vote?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. CLARK. I thank the Chair.

Mr. KERR. Madam President, I believe I am the one who made the unanimous-consent request.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is correct.

Mr. KERR. As such, I believe I am entitled to have my unanimous-consent request understood.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is correct.

Mr. KERR. It can be objected to, if any Senator wishes to object to it; but in order to eliminate doubt in the mind of the Senator from Virginia that I am trying to comply with his suggestion, and in order to eliminate doubt in the mind of the Senator from Pennsylvania that I did not contemplate triggering the situation which he feared, I should like to restate my unanimous-consent request with reference to the amendment offered by the Senator from Oklahoma and other Senators.

On page 3 of the amendment, line 11, is the following language:

On page 13, beginning with line 21, strike out all through line 14 on page 15.

The unanimous-consent request I make is that that language be agreed to. In lieu thereof, the amendment would read, beginning on line 14, as follows:

Beginning after line 20, on page 13, the following language be inserted.

The amendment on page 13 would then read:

There is authorized to be appropriated for expenditure—

And so forth. By this unanimous-consent request, the amendment which we have offered, changing the method of financing, which is the desire of the Senator from Virginia, would be agreed to; and our amendment at that point would then contain all of the authorizing provisions it now contains with reference to the manner in which the program in the bill as amended would be financed.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. COOPER. Madam President, I object. Will the Senator from Oklahoma yield for a parliamentary inquiry?

Mr. KERR. I yield.

Mr. COOPER. If the amendment proposed by the Senator from Oklahoma shall be agreed to, would the effect of the amendment be, first, to strike the financing provisions, to which objection has been made, and second, to restore the authorization of \$750 million?

Mr. KERR. It would also restore the language in the amendment, which would provide a method for financing the program as outlined in the amendment.

Mr. COOPER. But it would maintain, and we would be agreeing to, \$750 million?

Mr. KERR. No, that is not what would be agreed to. The Senate would merely be agreeing to the request of the Senator from Virginia [Mr. ROBERTSON] that financing from one source be eliminated, as provided in the amendment. Then the matter before the Senate would be my amendment as it had been offered, in the rest of its entirety, because we would already have agreed

to the part which strikes from the bill the method of financing provided by the bill.

Mr. COOPER. If we agreed to this amendment, would we be agreeing also to the authorization of \$750 million?

Mr. KERR. No. That would still be before the Senate.

Mr. COOPER. Madam President, may I have a ruling?

The ACTING PRESIDENT pro tempore. The Chair has no power to interpret the meaning of the amendment.

Mr. CASE of South Dakota. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. If the situation should be as the Senator from Oklahoma has described it, and if his amendment would then have had deleted from it the portion referring to the section on the old financing, the remaining portions of the amendment would be subject to division and to individual votes, would they not? Certainly the rest of the amendment is divisible.

Mr. KERR. There is no question about that. I say to the Senator from South Dakota that if the pending request for unanimous consent is agreed to, I shall then ask unanimous consent that the remaining portions of the amendment be considered en bloc; and that request would be subject to objection.

Mr. CASE of South Dakota. And I shall object to that.

Mr. KERR. I understand.

Mr. CASE of South Dakota. And I shall request a division, of the other provisions. But I think that clarifies the situation. We can treat the first matter first. We are being asked to vote first on eliminating from the so-called committee bill the so-called backdoor financing method; and I believe we should have a record vote on that question. Therefore, I request the yeas and nays.

Mr. BUSH. Madam President, I think we are still addressing ourselves to the unanimous-consent request of the Senator from Oklahoma. Is that correct?

Mr. KERR. That is my understanding of the situation. I request a parliamentary interpretation on that point.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BUSH. On that basis, Madam President, I am constrained to object to the requested unanimous-consent agreement. I should like to see the Senate vote first on the motion to strike. And as I understand, we are getting a substitute.

Mr. CASE of South Dakota. No, we are not.

Mr. KERR. Then, Madam President, I ask unanimous consent that the time consumed thus far not be charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. KERR. And I wish that unanimous-consent agreement to apply until this parliamentary tangle is resolved.

Mr. ROBERTSON. Madam President, I understood that the Senator from Oklahoma had requested unanimous consent for approval of the motion of the Senator from Virginia to strike from the bill all language relating to backdoor financing, but without affecting any other part of the amendment offered by the Senator from Oklahoma. Was objection made? If so, by whom?

Mr. BUSH. Madam President, I did not object to that. I objected—at least I thought I was objecting to it—to a proposal by the Senator from Oklahoma not only to strike out that language on pages 13, 14, and 15, but also to substitute therefor, the language from line 15 through line 23 on page 3 of the Kerr amendment.

Mr. ROBERTSON. Madam President, in order to clear up this matter—for I have not even mentioned the authorization of \$750 million—I move “To strike out” and the rest of those two and a half lines. I understand that the Kerr amendment is the pending question. So I make that motion; and that will eliminate the backdoor financing provisions, from the bill and only those.

The ACTING PRESIDENT pro tempore. Will the Senator state the number of lines he proposes to strike out?

Mr. ROBERTSON. Madam President, I move the adoption of this portion of the Kerr amendment to Senate bill 2965—the part which begins on page 3, in line 11, reading, “on page 13”—that is, of the original bill.

Mr. KERR. No; the Senator is reading my amendment.

Mr. ROBERTSON. It is one part of the Senator's amendment that I am asking the Senate to adopt.

Mr. KERR. Yes, but not the original bill.

Mr. ROBERTSON. The reference is to page 13 of the committee bill—there are only four pages of the Kerr amendment.

Mr. CASE of South Dakota. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Virginia has the floor. Will he please state his amendment?

Mr. ROBERTSON. Madam President, may I complete stating my amendment?

The ACTING PRESIDENT pro tempore. The Chair is waiting for the Senator from Virginia to do so.

Mr. ROBERTSON. It is the following portion of the Kerr amendment: On page 13—meaning page 13 of the committee bill—beginning with line 21, strike out all through line 14 on page 15.

Mr. WILLIAMS of Delaware. Madam President, on that motion, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

Mr. CLARK. Madam President, will the Senator from Delaware yield before the yeas and nays are ordered?

Mr. WILLIAMS of Delaware. The Chair is now attempting to determine whether there is a sufficient second for the request for the yeas and nays.

Mr. CLARK. I realize that. But I should like the Senator from Delaware to yield at this point, if he will.

The ACTING PRESIDENT pro tempore. There is a sufficient second; and the yeas and nays are ordered.

Mr. KERR. Madam President, I rise to a point of order.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma will state it.

Mr. KERR. The pending question was on agreeing to a request for unanimous consent; I had asked unanimous consent that the motion of the Senator from Virginia be agreed to. I take it that unless objection was made, the request for the yeas and nays is not in order.

The ACTING PRESIDENT pro tempore. The Chair understood that there was objection to that request for unanimous consent; and the Senator from Virginia has offered his amendment.

Mr. KERR. I do not understand how an objection could be made until I had completed stating my request, or how the Chair could find that that had been done.

Mr. WILLIAMS of Delaware. Madam President, I think this is a very important part of the bill, and I believe the Senate would wish to go on record as not approving that type of financing. That is why I have requested the yeas and nays.

Mr. KERR. Then, Madam President, I withdraw the request for unanimous consent; and I now desire to propound a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma will state it.

Mr. KERR. Is the pending question the motion of the Senator from Virginia to amend the amendment of the Senator from Oklahoma in the way outlined by the Senator from Virginia?

Mr. ROBERTSON. Not to amend it, but to adopt a part of it, without affecting the remainder.

Mr. KERR. Oh, yes.

Mr. WILLIAMS of Delaware. Madam President, as I understand, the motion of the Senator from Virginia is to strike out of the bill the part beginning in line 23, on page 13, and all through line 14, on page 15 of the bill—in other words, to strike out all of the backdoor financing provisions.

Mr. ROBERTSON. That is correct.

Mr. MILLER. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Iowa will state it.

Mr. MILLER. I do not so understand the amendment. I understand that the amendments of the Senator from Oklahoma are the pending question, and that they are to be considered en bloc. Therefore, at this stage an amendment must be an amendment to them en bloc.

I believe the Chair has now ruled that the pending question is on agreeing to the motion of the Senator from Virginia to strike out a part of the bill.

Mr. KERR. No; it is the motion of the Senator from Virginia to agree to a part of the amendment of the Senator from Oklahoma.

Mr. ROBERTSON. Madam President, will the Senator yield to me?

The ACTING PRESIDENT pro tempore. The motion of the Senator from Virginia has been clearly stated. It is to strike out on page 13, beginning on line 21, all through line 14 on page 15.

Mr. CLARK. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. If the motion is adopted—and I know of no Senator in this body who would vote against it, if it means what the Senator from Oklahoma and I think it means, which is that it does away with backdoor financing—I ask the parliamentary question whether it will later preclude the Senator from Oklahoma from bringing to the floor a request for a vote the remainder of the language on page 3 of his amendment, which, in effect, would authorize the appropriation of \$750 million.

The ACTING PRESIDENT pro tempore. It would not preclude the Senator from Oklahoma from doing so.

Mr. CLARK. I do not know why we should go to the trouble of a yeas-and-nays vote, because I do not think any Senator will vote against it. I do not know why it could not be done by unanimous consent.

Mr. CASE of South Dakota. Madam President, who is in control of the time?

The ACTING PRESIDENT pro tempore. By reason of the procedural discussion, the Senate is not under controlled time.

Mr. MANSFIELD. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Montana will state it.

Mr. MANSFIELD. Am I to understand that we are not operating under the agreement entered into?

The ACTING PRESIDENT pro tempore. Unanimous consent was given to withhold the running of time until the procedure was agreed to.

Mr. MANSFIELD. How much time, roughly, has elapsed under that procedure?

The ACTING PRESIDENT pro tempore. The time since 10:30 o'clock.

Mr. MANSFIELD. The original request was that the time taken for the suggestion of the absence of a quorum not be allocated to the time allotted, but it was my understanding that once the quorum call was concluded, it would be.

The ACTING PRESIDENT pro tempore. At 11:25 a.m. the Senator from Oklahoma asked unanimous consent that, until the procedural question was settled, we not be under controlled time.

Mr. MANSFIELD. I thank the Chair.

Mr. CASE of South Dakota. Madam President—

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

Mr. CASE of South Dakota. This motion should be agreed to. This proposal proves the validity of the alarm which I sought to sound at the time the President's message came to Congress. I am delighted, however, to have the Senator from Pennsylvania say he thinks there is no Senator on the floor who will vote against the motion to

strike, because the amendment proposes to strike from the bill the language which was recommended by the President in his special message.

The ACTING PRESIDENT pro tempore. If the Senator wishes to discuss the merits of the proposal, we will consider that the procedural discussion is over, and the controlled time will begin.

Mr. CASE of South Dakota. I yield myself 10 minutes on the bill.

Mr. BUSH. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The minority leader has control of the time.

Mr. BUSH. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BUSH. If the Senator is to use time, can he not use time on the amendment offered by the Senator from Virginia?

Mr. CASE of South Dakota. I could.

Mr. BUSH. Why not do it?

Mr. DIRKSEN. Madam President, I yield 10 minutes to the Senator from South Dakota.

Mr. ROBERTSON. Madam President, I offered my amendment. I am supposed to have some time on it. I yield 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Virginia has 30 minutes allotted to him.

Mr. ROBERTSON. I yield 10 minutes to the Senator from South Dakota.

Mr. DIRKSEN. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DIRKSEN. What is the pending business before the Senate at this time?

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Virginia.

Mr. DIRKSEN. Is the amendment in writing and at the table?

The ACTING PRESIDENT pro tempore. The amendment is in writing.

Mr. DIRKSEN. I ask that the amendment be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated by the clerk.

The LEGISLATIVE CLERK. It is proposed to strike out the language in the bill on page 13, beginning on line 21, through line 14 on page 15.

Mr. CASE of South Dakota. Madam President, do I have 10 minutes, either from the Senator from Virginia or the Senator from Illinois?

Mr. ROBERTSON. Madam President, I yield 10 minutes to the Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 10 minutes.

Mr. CASE of South Dakota. Madam President, the President sent a special message to the Congress asking for an emergency public works bill. When the language came to the Senate, I took the floor and pointed out this particular language as the part that was most objectionable in the whole proposal.

The message of the President was referred to the Committee on Banking

and Currency. I took the floor at the time to point out that there were other jurisdictions involved; that the Committee on Public Works would normally have jurisdiction over public works projects.

For a time, nobody introduced a bill on the subject in the Senate. The bill was introduced in the House by two Members of that body as it had been suggested by the President.

I invite the attention of the Members of the Senate to the fact that the language as originally proposed in the President's message, or the material accompanying the President's message, and in the bill as introduced, would not only have made the debt receipts available to the departments to spend, but it would have made available the unobligated balances of appropriations, contract authorizations, revolving funds, and other authorizations to expend from public or corporate debt receipts.

During the consideration of the bill, when it was introduced by the Senator from Pennsylvania (Mr. CLARK) for himself and Senators McCARTHY, PELL, and RANDOLPH, we pointed out what would happen if the Public Works Committee would attempt to make available under programs it might authorize money which had been appropriated to the Defense Department, to the State Department, to the Justice Department, to the Department of Agriculture, and other activities of government.

As a result of that discussion within the committee, the Public Works Committee decided it did not want to have anything to do with the proposal; that that would have been taking money appropriated and authorized by other committees.

Then we went to contract authorizations, and then to revolving funds.

Again it was pointed out that money such as that in the revolving fund of the Farmers Home Administration would be made available for building sidewalks in a city far removed where the revolving fund was created. That proposal was dropped.

Then, because "public or corporate debt receipts" was an indefinite term, over the protest of the minority it was decided that the program should be limited to certain functions. As shown in the committee amendment on page 14, authorizations were for expenditures from public debt receipts available for the Housing and Home Finance Agency, for loans to the Federal Savings and Loan Insurance Corporation, for loans to the Federal Deposit Insurance Corporation, for the purchase of obligations issued by the Federal Home Loan Banks, and for payment of the subscription of the United States to the International Bank For Reconstruction and Development."

In the report of the minority, the minority views accompanying the bill, will be found a table which shows the several different funds which could have been used under the language reported by the committee. Approximately \$15 billion would have been available, to the extent of \$2 billion for the building of public works projects under the other authorization in the bill.

Repeatedly on the floor, and in interviews, and by the speeches of several Members of the Senate, including the Senator from Virginia [Mr. ROBERTSON], chairman of the Banking and Currency Committee, and the Senator from Kentucky [Mr. COOPER], attention was drawn to what this would do.

The Senator from Kentucky, in one of the most able speeches delivered to the Senate at this session, pointed out that if we were to permit the taking of funds authorized for the use of the International Bank for Reconstruction and Development it could imperil the whole program.

I sought to point out that the use of \$3 billion worth of debt receipts available to the Federal Deposit Insurance Corporation could result, if there were a bank crisis, in the reserves of the Federal Deposit Insurance Corporation being drawn upon and the Corporation wrecked.

The \$750 million available to the Federal Home Loan Bank Board for the insurance of savings in the savings and loan associations could be drawn upon.

No wonder it is that Members have generally come to the position that we ought not have this kind of backdoor financing. I am delighted to have the Senator from Pennsylvania say that today he does not think there is a Member on the floor who would vote to retain this provision in the bill.

Mr. CLARK. Madam President, will the Senator yield?

Mr. CASE of South Dakota. If I have any time remaining, I shall be glad to yield.

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes remaining.

Mr. CASE of South Dakota. I yield to the Senator from Pennsylvania.

Mr. CLARK. Let me say that I would be the last to suggest that the minority on the Committee on Public Works has not rendered a useful public service in connection with this measure, as it has often done in the past. I believe, now that we have had the opportunity to look over this matter a little more carefully than at the time the bill came in, a wise decision has been made; that for this purpose, in this bill, the best way to handle the program is through authorizations and appropriations.

My friend from South Dakota has made a very able speech about something quite irrelevant to anything before the Senate.

Why the yeas and nays were asked for the purpose of doing exactly what the Senator from Oklahoma, the principal sponsor of the bill, and I have agreed to do I am sure I do not know. There are many Senators in this body who will not vote for anything other than authorizations and appropriations in the bill. We are wasting our time by taking a vote on this question.

Mr. CASE of South Dakota. We are not wasting our time, Madam President. We have the direct statement from the author of the bill that the minority has rendered valuable service in this connection. That admission by the Senator from Pennsylvania is well worth the time consumed.

Mr. CLARK. I think it should also make unnecessary a ye-and-nay vote. If the gentlemen wish to march up the hill and down again, and to get a unanimous vote, I have no objection.

The ACTING PRESIDENT pro tempore. The time of the Senator from South Dakota has expired.

Mr. COOPER. Madam President, will the Senator yield me 5 minutes?

Mr. BUSH. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield 5 minutes to the Senator.

Mr. COOPER. Madam President—

Mr. BUSH. Madam President, I thought the Senator had yielded to me. It is satisfactory to me for the Senator from Kentucky to proceed.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized.

Mr. COOPER. Madam President, I wish to speak because I am a member of the committee. I sat through the executive sessions of the committee in which the committee discussed this provision. I support wholly the position taken by our ranking Republican member, the Senator from South Dakota [Mr. CASE].

I wish to say, about our good friend from Oklahoma [Mr. KERR], that I know he goes into these questions carefully and always in the long run works them out quite well. But it is true that when the bill came to the Senate, as recommended by the President it contained the section which would have authorized \$2 billion standby authority for public works.

The bill also contained the most bizarre method of financing probably ever submitted to the Congress. As it was offered to the committee it proposed that the President of the United States, in order to obtain the \$2 billion, could borrow funds from any agency which had uncommitted balances of appropriations or of contract authority, and that some day in the future the Congress might restore those funds.

In the committee, in the executive sessions, the Senator from Delaware [Mr. Boggs] and I moved to strike this financing method. But the total vote on the Democratic side was to maintain this bizarre, peculiar, unusual, unique method of financing.

Later the committee wrote into the bill, against the objections of the minority, the provision that the funds could be borrowed from the Federal Deposit Insurance Corporation, which protects the security of individual depositors up to \$10,000, from the Housing and Home Finance Agency, from the Federal Savings and Loan Insurance Corporation, from the Federal Home Loan Banks—and even from the World Bank.

A day after the committee had voted unanimously, on the majority side, to permit this kind of borrowing, I wrote to all the agencies concerned. I received answers from the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation, which appear in the CONGRESSIONAL RECORD of May 16, on pages 8511, 8512, and 8513.

I also wrote to the Secretary of the Treasury, Mr. Dillon, for his comments on the financing provision with respect to using funds reserved to secure the borrowing power of the World Bank. He wrote a letter to me saying, in substance, that it had not been considered by the Treasury, and would be removed from the bill.

I wrote to the Director of the Bureau of the Budget, who had come before the committee to testify for these provisions. I cannot understand why he supported this unusual method of financing, but he did, as did his representatives. I wrote to him and I asked for information concerning the financing proposals. Last Friday, or Saturday, he called me and asked me if I thought it would be necessary for him to respond to my questions, since he understood that the financing proposal had been dropped by the administration. I told him that I did not think a response was necessary.

For the life of me I cannot understand why the Bureau of the Budget would propose such a method of financing.

The Robertson amendment should be voted. First, the Senate should go on record against this method of financing. Second, the proposal indicated that the administration—the Bureau of the Budget, and the other agencies concerned—had not considered the bill carefully, and that they are uncertain about the need and value of a public works program, and about the method which should be used to carry one out.

I favor a public works program. But as the history of this bill shows that it was not carefully considered, we ought to adopt one with a moderate authorization—and strike the standby authorization of \$2 billion.

If we adopt a public works program, it should be a moderate one, which can be tested before the Congress meets again.

Mr. COOPER subsequently said:

Mr. President, I ask unanimous consent that following the remarks I previously made there be printed in the RECORD a letter I wrote to the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare, after S. 2965 was reported to the Senate; the reply I received from him Friday; the letter I wrote to the Secretary of Commerce; the reply I received from him this morning; and copies of letters to other agencies administering programs of assistance to the States for the construction of public works, and to the Director of the Budget—to which I received no replies. As I have previously said, the Director of the Budget called me last Friday and asked me if I desired a response to my letter in view of the understanding that the financing provisions were to be eliminated, and I told him a response was not necessary.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 30, 1962.

HON. ABRAHAM RIBICOFF,
Department of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: Senate bill 2965, known as the Standby Public Works Act of 1962, was reported to the Senate Wednesday

by the Public Works Committee, of which I am a member. I am concerned about the possible effect on existing Federal loans, loan-grant and grant programs of the proposed change in the criteria and standards for these programs, as contained in sections 5, 6, and 7 of the bill.

Section 8, known as the Chavez amendment, provides for a different program funded through the regular appropriations process, limited to distressed areas, and to a period of 27 months following enactment of the bill. It will simplify your response to this request to omit from consideration that section of the bill.

The types of public works projects covered by the bill are defined in section 14(c). The projects which can be financed are limited under section 9(a)(3) to those which can be completed within 18 months after initiation, or if begun later than 9 months after proclamation of the public works acceleration period can be completed before the end of that 27-month period.

The provisos in section 5 waive the criteria established by the Congress for existing programs, and permit grants up to 50 percent of the cost of projects. Section 7 permits loans for the remainder. Section 5 also waives all existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project or program.

I wish you would refer the following questions to each of the agencies under your jurisdiction which has programs assisting projects which can be defined as public works projects under section 14(c) of the bill. Please note that while section 5 is limited to Federal grant programs, section 6 permits 50-percent grants for any public works projects and programs not now eligible for grants, so that in discussing the change in existing programs those which are now wholly loan programs must be included.

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized proj-

ects and by requesting additional appropriations where necessary? Third, by other means?

8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that it may take a little time to compile the information for an answer to some of these questions. If that is the case, I would appreciate your comments on the other questions, including the first four, meanwhile.

Sincerely yours,

JOHN SHERMAN COOPER.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, May 25, 1962.

DEAR SENATOR COOPER: This letter is in response to your request of April 30, 1962, for our replies to specific questions you have raised with respect to S. 2965, the "Standby Public Works Act of 1962."

The existing programs of this Department which would be affected by enactment of S. 2965 are in the Public Health Service, and are authorized by the Hospital Survey and Construction Act (42 U.S.C. 291 et seq.); the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.); and the Health Research Facilities Act (42 U.S.C. 292 et seq.). The answers to your questions have been supplied in three attachments to this letter, each attachment relating to one of these programs.

In the form in which it was reported by the committee, the bill seems to authorize the acceleration only of grants for the construction, repair, or improvement of publicly owned facilities of the character specified under the section 14(c) definition of "public works." However, we understand that language will be proposed to make clear the committee's intent not to exclude the acceleration of grants to the private nonprofit beneficiaries of existing grant programs. Therefore the attachments assume that such acceleration is to be authorized for both nonprofit and public beneficiaries.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

HON. JOHN SHERMAN COOPER,
U.S. Senate,
Washington, D.C.

REPLY TO SENATOR JOHN S. COOPER'S QUESTIONS OF APRIL 30, 1962, ON S. 2965, "STANDBY PUBLIC WORKS ACT OF 1962" AS THEY RELATE TO HOSPITAL SURVEY AND CONSTRUCTION (HILL-BURTON) PROGRAM (TITLE VI—PUBLIC HEALTH SERVICE ACT)

Question 1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

Answer 1. Under the Hill-Burton program, operated by the Public Health Service, Federal funds are allotted to the States on a formula basis for grants to public and nonprofit agencies for the construction of hospitals, diagnostic or treatment centers, chronic disease hospitals, nursing homes, and rehabilitation facilities. As of March 1, 1962, 1,110 projects were under construction. These projects involve a total cost of approximately \$1.3 billion and use Federal funds amounting to \$413 million.

Question 2. What are the criteria and standards now in effect in these programs

which could be changed or eliminated under the bill?

Answer 2. (a) Under the Hill-Burton program, funds appropriated must be allocated among the States in accordance with a statutory formula which is based on population and per capita income. Section 5 of the bill provides that funds available under S. 2965 would not be subject to apportionment.

(b) S. 2965 would permit grants up to 50 percent of the cost of constructing and equipping health facility projects even though existing grant programs provide for a lesser amount. The Hill-Burton legislation restricts about one-half of the States to grants of less than 50 percent.

(c) Section 7 of S. 2965 would, under certain circumstances, authorize Federal loans for the applicant's share of the cost of constructing health facilities. Federal loans for the applicant's share of the costs are not available under the Hill-Burton legislation.

Question 3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

Answer 3. The above criteria are statutory and are not of an administrative or budgetary nature.

Questions 4 and 5. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

Answers 4 and 5. The criteria and standards changed or eliminated by S. 2965 would have no untoward or derogatory effect on the regular Hill-Burton program. The bill would retain important provisions of the Hill-Burton legislation which require (a) that projects be approved by the Hill-Burton State agency, (b) that projects conform with the State plan submitted by such State agency, and (c) that approved projects conform to minimum standards of construction and design. Many worthwhile and much needed health facility projects would be constructed under the provisions of S. 2965 which could not be aided under the Hill-Burton program because of limited funds and the priority requirements included in the Hill-Burton legislation. We would not expect that S. 2965 would lead to demands that standards under the Hill-Burton program be lowered.

Question 6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

Answer 6. The changes in criteria applicable to health facility construction which are included in S. 2965 pertain only to the allotment of funds among the States, the percentage of Federal participation, and availability of Federal loans. Insofar as health facilities are concerned, S. 2965 would not qualify projects based on lower standards of need, design, or construction, but rather, would make additional funds available for the approval of projects which could not otherwise be approved because of limited funds and the priority provision of the Hill-Burton legislation.

The best indication of health facility projects which might be approved under the provisions of S. 2965 is a report submitted by Hill-Burton State agencies as to projects

which could be approved in fiscal year 1963 if there were no limitations on Federal funds. This report shows that 1,158 projects costing a total of \$1.6 billion and using Federal funds amounting to \$597 million could be approved in 1963 if there were no limitations on Federal funds. (These figures relate to both public and nonprofit facilities. About 50 percent would be related to public facilities alone.) All of these projects conform with the approved State plan, would meet an essential need, and would contribute to the reduction of unemployment. While information is not available as to the number which could be completed within the time period specified in section 9 of S. 2965, it is reasonable to believe that the majority would qualify.

Question 7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

Answer 7. The Public Health Service could, to a limited extent, accelerate health facility construction projects under the Hill-Burton program. The legislation requires however, that projects be selected for approval in accordance with certain prescribed priority requirements, and the projects so approved are rarely in a position to award contracts and begin construction immediately. Additional appropriations or an authorization to expend from public debt receipts would, of course, increase the number of projects which could be approved. However, the purposes of S. 2965 would be defeated to a certain extent because those priority factors enumerated in section 9 of the bill and, in particular, the factor requiring completion of projects within a short period of time, which are aimed at quickly reducing the employment level, could not be applied in selecting projects for approval.

Question 8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

Answer 8. As indicated under item 6, Hill-Burton State agencies report that 1,158 health facility projects, costing a total of \$1.6 billion and using Federal funds in the amount of \$597 million could be approved in fiscal year 1963 if there were no limitation on Federal funds available under the Hill-Burton program. (About 50 percent of these involve public facilities.) Many of these projects could be approved if additional funds were made available under the Hill-Burton program. However, some of the projects would not qualify because of their priority under the Hill-Burton program, and others could not be approved because the total funds made available would have to be distributed among the States and territories on the basis of the formula included in the Hill-Burton legislation.

REPLY TO SENATOR JOHN S. COOPER'S QUESTIONS OF APRIL 30, 1962, ON S. 2965, STANDBY PUBLIC WORKS ACT OF 1962, AS THEY RELATE TO HEALTH RESEARCH FACILITIES PROGRAM (TITLE VII—PUBLIC HEALTH SERVICE ACT)

A general observation should be made before replying to the specific questions. On reviewing the areas designated by the Secretary of Commerce as redevelopment areas, and the areas designated by the Secretary of Labor as areas of substantial unemployment (as of March 1962), we find that very few of the current title VII projects, or those which are now approved and awaiting the

availability of funds, are located in these areas. Our answers to the following questions must be viewed with this circumstance in mind.

Question 1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

Answer 1. Under the health research facilities program, operated by the Public Health Service within the National Institutes of Health, Federal grants are made to public or nonprofit institutions for the construction of new or improved health research facilities. There currently are 217 projects underway in this program at a total cost of \$426,864,444 of which \$92,183,866 is the Federal share.

Question 2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

Answer 2. The present program permits grants in which Federal share may not exceed 50 percent. The bill would not change or eliminate any present criteria or standards in effect in the title VII program.

Question 3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

Answer 3. The present law, title VII of the Public Health Service Act, contains a provision limiting appropriated funds in any fiscal year to \$50 million. It is anticipated that the Congress will provide an appropriation in the amount of \$50 million for this program for fiscal 1963. There are no existing budgetary or administrative criteria which limit the operation of the program.

Questions 4 and 5. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

Answers 4 and 5. The criteria and standards changed or eliminated by S. 2965 would have no untoward or derogatory effect on the regular health research facilities construction program. However, the provisions of the bill would probably have only a minor effect on the construction of health research facilities, since very few of the projects which are now approved and awaiting the availability of funds are located in economically depressed areas.

Question 6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

Answer 6. None.

Question 7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

Answer 7:

Part 1. None.

Part 2. None, since anticipated congressional appropriation will be the same as the legally authorized ceiling of program.

Part 3. It would require an amendment of title VII to provide a higher authorization for project funds to activate more projects than are currently contemplated for fiscal 1963.

Question 8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

Answer 8. None, due to existing limits of \$50 million annual authorization for this program.

REPLY TO SENATOR JOHN S. COOPER'S QUESTIONS OF APRIL 30, 1962, ON S. 2965, STANDBY PUBLIC WORKS ACT OF 1962, AS THEY RELATE TO FEDERAL WATER POLLUTION CONTROL PROGRAM (FEDERAL WATER POLLUTION CONTROL ACT)

Question 1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

Answer 1. Under the Federal water pollution control program, operated by the Public Health Service, Federal grants are made to States, municipalities, or intermunicipal and interstate agencies for the construction of necessary treatment works. As of April 30, 1962, there were 770 projects underway costing approximately \$472.6 million for which Federal grants in the amount of \$83.4 million have been made.

Question 2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

Answer 2. The Federal Water Pollution Act provides for allotments to States on the basis of relative per capita income and relative population. Grants are limited to 30 percent of the cost of construction or \$600,000, whichever is less. Section 5 of the bill would, in effect, eliminate the allotment formula, and would change the grant limitations to allow up to 50 percent of the cost of construction.

Question 3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

Answer 3. The above criteria are statutory and not of an administrative or budgetary nature.

Question 4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

Answer 4. The provisions of the bill would result in a speedup in construction of needed sewage treatment works. There are over 2,000 grant applications in process or in preparation requesting grants totaling \$227.4 million to assist in construction of projects estimated to cost \$1.191 billion. The budget request for fiscal year 1963 to meet these requests is the fully authorized \$90 million. If additional funds were made available under the bill, these projects would be constructed much sooner. In addition, many communities not able to consider sewage treatment works construction under the 30 percent Federal money-70 percent local money formula would construct facilities under the grant and loan provisions of S. 2965.

Question 5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State

participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

Answer 5. While the provisions of the bill might cause a temporary slowdown, we would not consider this a disruption of the program. If the bill were to pass, we would expect that communities would reexamine their programs before proceeding. They would have to consider the benefits which might accrue to the community at some indefinite time and under indefinite circumstances in relation to a firm commitment of a lesser amount of Federal assistance at the present time. We feel that by far the majority of communities will find it to their advantage not to postpone construction in hope of receiving greater Federal assistance. We do not feel that there will be many instances in which a community that constructs a project with a 30 percent grant will feel discriminated against if at some future time another community receives a 50 percent grant for the same purpose. It was expected that there would be many complaints to this effect at the time the grant program was first authorized but they failed to materialize. Neither do we feel that there will be any demands for a lowering of standards for local and State participation and responsibility in the program.

Question 6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

Answer 6. To qualify financially for a sewage treatment works construction grant at the present time, a community must demonstrate its ability to pay the remaining cost of the project. If the grant were increased to 50 percent with a loan available for the balance, many of the communities not now able to qualify would be able to move ahead.

In the Second Annual Report on Municipal Waste Treatment Needs, dated January 1, 1962, prepared by the Conference of State Sanitary Engineers, it was shown that there are about 5,300 communities requiring new sewage treatment plants, enlargements or additional treatment, estimated to cost \$2.1 billion. Applications for grants are in process or in preparation for over 2,000 of these projects estimated to cost \$1.1 billion. The remaining 3,300 projects estimated to cost \$1 billion are for the most part in communities of less than 10,000 population. It is these smaller communities which experience the greatest difficulty in arranging financing and which would benefit greatly under the proposed legislation although its impact cannot be estimated at this time.

Question 7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

Answer 7. Without the authority provided by this bill, we would not be able to accelerate projects under the program. The full statutory authorization was appropriated last year and is included in the budget for fiscal year 1963. These funds will be fully utilized leaving no balances which might be used for accelerated expenditures. No additional appropriations may be requested under the existing act.

Question 8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

Answer 8. In view of 7 above, question 8 must be answered in the negative.

APRIL 27, 1962.

HON. LUTHER H. HODGES,
Secretary of Commerce, Department of Commerce, Washington, D.C.

DEAR MR. SECRETARY: Senate bill 2965, known as the Standby Public Works Act of 1962, was reported to the Senate Wednesday by the Public Works Committee, of which I am a member. I am concerned about the possible effect on existing Federal loan, loan-grant, and grant programs of the proposed change in the criteria and standards for these programs, as contained in sections 5, 6, and 7 of the bill.

Section 8, known as the Chavez amendment, provides for a different program funded through the regular appropriations process, limited to distressed areas, and to a period of 27 months following enactment of the bill. It will simplify your response to this request to omit from consideration that section of the bill.

The types of public works projects covered by the bill are defined in section 14(c). The projects which can be financed are limited under section 9(a)(3) to those which can be completed within 18 months after initiation, or if begun later than 9 months after proclamation of the public works acceleration period can be completed before the end of that 27-month period.

The provisos in section 5 waive the criteria established by the Congress for existing programs, and permit grants up to 50 percent of the cost of the projects. Section 7 permits loans for the remainder. Section 5 also waives all existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project, or program.

I wish you would refer the following questions to each of the agencies under your jurisdiction which has programs assisting projects which can be defined as public works projects under section 14(c) of the bill. Please note that while section 5 is limited to Federal grant programs, section 6 permits 50-percent grants for any public works projects and programs not now eligible for grants, so that in discussing the change in existing programs those which are now wholly loan programs must be included.

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs, under the conditions in question 7 above?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that it may take a little time to compile the information for an answer to some of these questions. If that is the case, I would appreciate your comments on the other questions, including the first four, meanwhile.

Sincerely yours,
JOHN SHERMAN COOPER.

THE SECRETARY OF COMMERCE,
Washington, D.C., May 25, 1962.

HON. JOHN SHERMAN COOPER,
U.S. Senate, Washington, D.C.

DEAR SENATOR COOPER: This is in reply to your request for information with respect to the effect which Senate bill 2965 would have on existing Federal loan, loan-grant and grant programs administered by agencies of this Department.

The only agencies of the Department administering programs which would be affected by this legislation are the Area Redevelopment Administration and the Bureau of Public Roads. There are attached copies of memoranda from the Administrator of the Area Redevelopment Administration and the General Counsel of the Bureau of Public Roads, setting forth their replies.

Sincerely yours,
EDWARD GUDEMAN,
Under Secretary of Commerce.

U.S. DEPARTMENT OF COMMERCE,
AREA REDEVELOPMENT ADMINISTRATION,
May 8, 1962.

To: General Counsel.

From: Administrator.

Subject: April 27, 1962, letter from Senator COOPER re S. 2965, as reported.

This is in reply to your request for the views of the Area Redevelopment Administration on the April 27, 1962, letter from Senator COOPER, Republican, of Kentucky, to Secretary Hodges regarding the effect of the standby public works program proposed in S. 2965, as reported, on existing Federal loan, loan-grant and grant programs.

The answers set forth below are numbered so as to correspond with the numbers of the questions in Senator COOPER's letter.

1. Of the programs administered by the Area Redevelopment Administration, only grants for public facility projects, authorized by section 8 of the Area Redevelopment Act (Public Law 87-27, 87th Cong., 1st sess., May 1, 1961), would be directly affected if the provisions of S. 2965, as reported, become operative.

By April 27-30, 1962, approximately \$13,480,000 in Area Redevelopment Administration funds had been committed for 47 public facility projects involving section 8 of the Area Redevelopment Act. The aggregate cost of these projects will be approximately \$29.8 million.

Section 7 of the Area Redevelopment Act authorizes loans for public facility projects.

The program under this section would be indirectly affected by the effect of S. 2965, as reported, on section 8 since many public facility projects assisted under the Area Redevelopment Act are financed by a combination of loans and grants. This letter will confine its scope to the program of grants for public facility projects under section 8 of the Area Redevelopment Act.

2. and 3. There is no specific statutory limitation in the language of section 8 of the Area Redevelopment Act which relates to the apportionment of funds, the time in which grants can be made or the aggregate dollar amounts of grants for any prescribed purpose, project, or program. Therefore, the statutory criteria and standards now in effect in section 8 will not be changed or eliminated by section 5 of S. 2965, as reported. The applicable provision in section 5 provides "That no grant under this section shall be subject to any limitation in other laws with respect to the apportionment of funds, the time in which grants may be made, or the aggregate dollar amounts of grants for any prescribed purpose, project, or program."

However, because of the anticipated demand for the funds available for public facility projects under the Area Redevelopment Act and the urgent need to create substantial new permanent employment as quickly as possible in redevelopment areas, the Area Redevelopment Administration has sought to have public facility project proposals demonstrate clearly that they are immediately related to a new or expanded commercial or industrial facility which will create permanent new employment.

If S. 2965, as reported, were enacted, the Area Redevelopment Administration would continue to apply section 8 of the Area Redevelopment Act to cover public facility project proposals meeting the standards indicated above. In addition, the section 8 program would be properly applied to cover many project proposals, such as those indicated in item 6 below, which would tend to improve the opportunities for the establishment or expansion of industry that will provide new, permanent employment opportunities even though such opportunities and new or expanded private facilities might not result immediately.

4. The effect of the above action would be to enable the section 8 public facility program to help to finance the kinds of projects indicated in item 6 below.

5. Rather than disrupt the area redevelopment program, an acceleration of public facility project proposals would expand the opportunities for the economic development of communities in redevelopment areas.

Communities presently submitting qualified public facility project proposals would not be discriminated against under the kind of accelerated program which S. 2965, as reported, envisages. Any project proposal which might not demonstrate the necessary immediate new or expanded private facility now required could be resubmitted under the accelerated program.

The present public facility program under section 8 of the Area Redevelopment Act establishes certain standards for local and State participation and responsibility. If S. 2965, as reported, were enacted, the local and State participation and responsibility would not be changed, since the program under S. 2965, as reported, does not alter the statutory standards in section 8 of the Area Redevelopment Act and is a temporary program.

6. It is impossible to estimate, without extensive field survey, the additional number and dollar volume of projects that would qualify if S. 2965, as reported, were enacted. Area Redevelopment Administration activity under section 8 of the Area Redevelopment Act depends essentially on local planning. Many public facility projects are only beginning to be developed, or thought of, at the local level. Many more may ultimately be

financed through the programs of agencies other than the Area Redevelopment Administration.

If S. 2965, as reported, were enacted, and additional funds were provided, the section 8 program of grants for public facilities would be able to cover project proposals as indicated in the last paragraph of items 2 and 3 above. Many communities have indicated to the Area Redevelopment Administration their need for public facility projects. For example, 1,132 needed public facility projects were identified in the first 300 local economic development plans submitted to the Area Redevelopment Administration. Of that total, it is possible that about 784, costing about \$270 million, might be initiated or accelerated and then completed within a year, with assistance from the Area Redevelopment Administration. These local plans covered about 475 redevelopment areas with a population of approximately 25.8 million people. Since that time, more local plans have been submitted. They, too, indicate needed public facilities.

7 and 8. Since the entire authorization under section 8 of the Area Redevelopment Act may be substantially exhausted, through appropriations, by the end of the next fiscal year, it would not be wise for the Area Redevelopment Administration to accelerate public facility project proposals at this time without the additional funds which S. 2965 as reported, could provide.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
May 7, 1962.

To: Mr. Robert E. Giles, General Counsel,
Department of Commerce.

From: David S. Black, General Counsel.
Subject: Letter to Secretary Hodges from Senator COOPER concerning S. 2965, the proposed Standby Public Works Act of 1962.

In response to your request of May 1, 1962, for the views of this Bureau on the questions concerning S. 2965 contained in Senator COOPER's letter of April 30, 1962, to Secretary Hodges, the Bureau has prepared the enclosed statement dealing with each of Senator COOPER's questions as it relates to our activities.

REPLIES TO QUESTIONS ASKED BY SENATOR COOPER RE SENATE BILL 2965, STANDBY PUBLIC WORKS ACT OF 1962

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

[Dollar amounts in millions]

Program	Projects underway or authorized		
	Number of projects	Total cost	Federal funds
(a) Federal-aid highway program.....	17,022	\$9,890	\$7,294
(b) Forest highway program.....	131	58	55

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

Criteria and standards for existing Federal-aid and forest highway programs would not be changed or eliminated. For the acceleration program for which additional funds would be provided under S. 2965, formulas for apportionments of highway funds to States would not apply. Also, the program financed under section 6 of S. 2965 could provide for highway projects located off the Federal-aid and forest highway systems.

3. Which of the existing criteria are administrative or budgetary? What could be

done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

The changed criteria described under 2 above with respect to the acceleration program are of a legal nature rather than administrative or budgetary. The changes provided under S. 2965 could only be accomplished by legislation.

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

The changes described under 2 above with respect to the acceleration program for which additional funds would be provided under S. 2965 would have no effect on existing Federal-aid and forest highway programs.

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

It is not expected that S. 2965 would have any derogatory effect or disrupt the continuing Federal-aid and forest highway programs in any way. There would be no discrimination against communities (or States or local governments) qualifying under existing programs, and it is not anticipated that the new program would lead to any demands for lowering standards or changing criteria applicable to existing programs.

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

The number and dollar volume of highway projects that could be qualified under S. 2965 would depend largely upon the amount of additional funds made available. Under the special "D" and "L" funds program authorized by sections 2(a) and 2(c) of the Federal-Aid Highway Act of 1958, Federal-aid primary, secondary, and urban projects financed at a total cost of \$618 million were placed under contract within a period of 7½ months, in addition to and without delay to the regular Federal-aid highway programs. The 1958 program was statewide rather than limited to specific areas in each State, but it is expected that the present need for highway improvements in the redevelopment areas would provide ample opportunity for the use of any funds made available for such purposes under S. 2965.

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

The Federal-aid highway program is progressing at the maximum rate that can be supported from revenues accruing to the highway trust fund. The transfer of additional revenues from the general funds of the Treasury to the highway trust fund would make additional apportioned funds available to the States on a reimbursable obligation basis. At the present time there is a balance of nearly \$2.9 billion of Federal-aid highway funds apportioned to the States for the fiscal years through 1963 which is available for obligation provided the States can finance the work with State funds until

additional revenues are available to reimburse the States from the Highway Trust Fund.

The forest highway program also is progressing as rapidly as possible under existing appropriations. The 1963 forest highway appropriation request is for \$35 million, which would leave an unappropriated balance of \$38,850,000 of forest highway funds authorized for 1963 and prior fiscal years.

8. Approximately what number and dollar value of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs, under the conditions in question 7 above?

If additional funds were made available as discussed under item 7 above, it is expected that the Federal-aid and forest highway programs could be accelerated as follows:

(Dollar amounts in millions)

Fiscal year	Federal-aid			Forest highways		
	Number of projects	Total cost	Federal funds	Number of projects	Total cost	Federal funds
1963	500	\$300	\$250	50	\$16	\$15
1964	500	300	250	50	16	15

APRIL 27, 1962.

HON. STEWART L. UDALL,
Secretary of the Interior, Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: Senate bill 2965, known as the Standby Public Works Act of 1962, was reported to the Senate Wednesday by the Public Works Committee, of which I am a member. I am concerned about the possible effect on existing Federal loan, loan-grant and grant programs of the proposed change in the criteria and standards for these programs, as contained in sections 5, 6 and 7 of the bill.

Section 8, known as the Chavez amendment, provides for a different program, funded through the regular appropriations process, limited to distressed areas, and to a period of 27 months following enactment of the bill, and it will simplify your response to this request to omit from consideration that section of the bill.

The types of public works projects covered by the bill are defined in section 14(c). The projects which can be financed are limited under section 9(a)(3) to those which can be completed within 18 months after initiation, or if begun later than 9 months after proclamation of the public works acceleration period can be completed before the end of that 27-month period.

The provisos in section 5 waive the criteria established by the Congress for existing programs, and permit grants up to 50 percent of the cost of projects. Section 7 permits loans for the remainder. Section 5 also waives all existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project or program.

I wish you would refer the following questions to each of the agencies under your jurisdiction which has programs assisting projects which can be defined as public works projects under section 14(c) of the bill. Please note that while section 5 is limited to Federal grant programs, section 6 permits 50-percent grants for any public works projects and programs not now eligible for grants, so that in discussing the change in existing programs those which are now wholly loan programs must be included.

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided in the bill?

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that it may take a little time to compile the information for an answer to some of these questions. If that is the case, I would appreciate your comments on the other questions, including the first four, meanwhile.

Sincerely yours,

JOHN SHERMAN COOPER.

(No reply received.)

APRIL 27, 1962.

HON. ORVILLE L. FREEMAN,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: Senate bill 2965, known as the Standby Public Works Act of 1962, was reported to the Senate Wednesday by the Public Works Committee, of which I am a member. I am concerned about the possible effect on existing Federal loan, loan-grant and grant programs of the proposed change in the criteria and standards for these programs, as contained in sections 5, 6, and 7 of the bill.

Section 8, known as the Chavez amendment, provides for a different program, funded through the regular appropriations process, limited to distressed areas, and to a period of 27 months following enactment of the bill. It will simplify your response to this request to omit from consideration that section of the bill.

The types of public works projects covered by the bill are defined in section 14(c). The projects which can be financed are limited under section 9(a)(3) to those which

can be completed within 18 months after initiation, or if begun later than 9 months after proclamation of the public works acceleration period can be completed before the end of that 27-month period.

The provisos in section 5 waive the criteria established by the Congress for existing programs, and permit grants up to 50 percent of the cost of projects. Section 7 permits loans for the remainder. Section 5 also waives all existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project or program.

I wish you would refer the following questions to each of the agencies under your jurisdiction which has programs assisting projects which can be defined as public works projects under section 14(c) of the bill. Please note that while section 5 is limited to Federal grant programs, section 6 permits 50 percent grants for any public works projects and programs not now eligible for grants, so that in discussing the change in existing programs those which are now wholly loan programs must be included.

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified which are not now qualified, assuming sufficient funds were made available?

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorizations to expend from public debt receipts? Second, through the acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that it may take a little time to compile the information for an answer to some of these questions. If that is the case, I would appreciate your comments on the

other questions, including the first four, meanwhile.

Sincerely yours,

JOHN SHERMAN COOPER.

(No reply received.)

APRIL 27, 1962.

HON. ROBERT C. WEAVER,
Administrator, Housing and Home Finance Agency, 1626 K Street, Washington, D.C.

DEAR MR. WEAVER: Senate Bill 2965, known as the "Standby Public Works Act of 1962," was reported to the Senate Wednesday by the Public Works Committee, of which I am a member. I am concerned about the possible effect on existing Federal loan, loan grant and grant programs of the proposed change in the criteria and standards for these programs, as contained in sections 5, 6 and 7 of the bill.

Section 8, known as the Chavez amendment, provides for a different program funded through the regular appropriations process, limited to distressed areas, and to a period of 27 months following enactment of the bill. It will simplify your response to this request to omit from consideration that section of the bill.

The types of public works projects covered by the bill are defined in section 14(c). The projects which can be financed are limited under section 9(a) (3) to those which can be completed within 18 months after initiation, or if begun later than 9 months after proclamation of the public works acceleration period can be completed before the end of that 27-month period.

The provisos in section 5 waive the criteria established by the Congress for existing programs, and permit grants up to 50 percent of the cost of the projects. Section 7 permits loans for the remainder. Section 5 also waives all existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project or program.

I wish you would refer the following questions to each of the agencies under your jurisdiction which has programs assisting projects which can be defined as public works projects under section 14(c) of the bill. Please note that while section 5 is limited to Federal grant programs, section 6 permits 50 percent grants for any public works projects and programs not now eligible for grants, so that in discussing the change in existing programs those which are now wholly loan programs must be included.

1. What programs of your agency would be affected if the provisions of the bill become operative? How many projects are now underway in each of these programs and what is their approximate total cost?

2. What are the criteria and standards now in effect in these programs which could be changed or eliminated under the bill?

3. Which of the existing criteria are administrative or budgetary? What could be done to accelerate projects under these programs by changing these administrative or budgetary standards, without changing the criteria specified by law?

4. What would be the effect on these programs of changing or eliminating existing criteria and standards, as provided by the bill?

5. Could this have a derogatory effect, or disrupt the program? Would it discriminate against communities qualifying for projects under existing standards, as compared to those qualifying under the provisions of the bill? Would it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

6. If the criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects could be qualified

which are not now qualified, assuming sufficient funds were made available?

7. To what extent could the President and your agency—without the authority provided by this bill—accelerate public works projects under these programs? First, through the accelerated expenditure of funds already appropriated and through the use of existing contract authorizations, revolving funds and through the use of authorization to expend from public debt receipts? Second, through acceleration of authorized projects and by requesting additional appropriations where necessary? Third, by other means?

8. Approximately what number and dollar volume of accelerated public works projects could be undertaken in fiscal 1963 and 1964 in each of the existing programs under the conditions in question 7 above?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that it may take a little time to compile the information for an answer to some of these questions. If that is the case, I would appreciate your comments on the other questions, including the first four, meanwhile.

Sincerely yours,

JOHN SHERMAN COOPER.

(No reply received.)

APRIL 26, 1962.

HON. ROBERT C. WEAVER,
Administrator, Housing and Home Finance Agency, Washington, D.C.

DEAR MR. WEAVER: Senate bill 2965, known as the Standby Public Works Act of 1962, was reported to the Senate yesterday by the Public Works Committee, of which I am a member. Section 10(b) of the bill as reported would authorize the President, an agency or officer specified by him, and those delegated in turn, to "cause to be transferred" to a new public works agency or any other agency "the unobligated balances of authorizations to expend from public debt receipts available for the Housing and Home Finance Agency."

Since such a transfer would affect the funds otherwise available to your agency, I would like to ask several questions. Because the Housing and Home Finance Agency has several constituent agencies, each with its distinct programs, I wish you would also direct these questions to the Commissioners of the Community Facilities Administration, the Urban Renewal Administration, and the Federal Housing Administration, for their comments on how their agencies and programs could be affected.

Some of the questions speak of loans made from public debt receipts. However, the authority for the use of public debt receipts by the HHFA is not limited to Treasury borrowing, and I know your answers will take this into account.

1. What are the statutory authorities for the use of public debt receipts by the HHFA?

(a) What are the statutory purposes of this authority, and how was it intended by Congress to be used?

(b) How much money is the HHFA authorized to borrow from the Treasury for these purposes?

(c) Is this authority a necessary part of the basic purposes or operations of the HHFA?

(d) Under what conditions is the HHFA authorized to borrow these funds from the Treasury? Is the Treasury directed to make the loans to HHFA under those conditions, or are the loans made at the discretion of the Treasury?

2. Extent of use of the Treasury financing authority by HHFA?

(a) To what extent has this authority been used in the past, and what were the occasions of its largest use?

(b) If this authority, since it was first granted by the Congress, has been increased in amount or broadened in its purposes, or has been decreased in amount or limited in its purposes, what were the reasons for these changes?

(c) To what extent is this authority being used now?

(d) To what extent is this authority likely to be needed in the future?

(e) When would its full use possibly be required?

(f) Even when the authority to borrow funds from the Treasury is not exercised or fully used, does the existence of this authority still serve a useful purpose against contingencies, or contribute to the financial stability and security of the HHFA?

3. Effect of withdrawing up to \$2 billion from the funds available to the HHFA from public debt receipts.

(a) How would such a withdrawal during a minor or severe recession affect the operations and the financial condition of the HHFA?

(b) Would such a withdrawal impair the credit of the HHFA?

(c) If it were not replaced by appropriations, or the borrowing authority of the HHFA were not increased by Congress or otherwise restored, what adverse effects, if any, could result from such a withdrawal?

(d) If it were to be restored, would there be any need to do so sooner than in 27 months?

You may wish to comment also on the general reasons for the existence of large unobligated balances of HHFA authority to borrow from the Treasury. For example, does this result from favorable economic conditions, or the successful operation of HHFA? From administrative practices, or the use of alternate sources of funding? From limitations imposed by appropriations acts or reports, or by budgeting policy?

While it now appears that S. 2965 may not be called up in the Senate in the next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible. If a complete answer cannot be prepared quickly, I would like to have a memorandum on the first question, 2(f) and 3(a) meanwhile.

I enclose a copy of the bill as reported, and thank you for your attention to this subject.

Sincerely,

JOHN SHERMAN COOPER.

(No reply received.)

APRIL 28, 1962.

HON. DAVID E. BELL,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. BELL: I know you are familiar with the provisions of Senate bill 2965, known as the Standby Public Works Act of 1962, as reported to the Senate by the Public Works Committee. I would like to ask the following questions about the proposals in this bill, and their possible effects on existing authorities and programs:

1. Has the method of financing provided in section 10(b)—that is, transferring to any other department or agency for a different use the unused Treasury borrowing authorized by the Congress for specific purposes—ever been used before? If so, on what occasions?

2. How does this method differ, in its effect on the budget, from providing a new authority to expend from public debt receipts for public works to relieve unemployment?

3. What is the purpose of your recommending this new financing method?

4. What are the various authorizations available for the Housing and Home Finance Agency from which withdrawals could be made under section 10(b), what are their statutory purposes, and what programs of the Agency could be affected by the withdrawal of \$2 billion from any of these authorizations?

5. Would not the Chavez amendment, section 8, provide sufficient funds, if appropriated by the Congress, to get public works programs for the purpose of relieving unemployment underway and tested during fiscal 1963 and 1964?

6. Is it not now possible for the President to accelerate existing public works programs—first, through the accelerated expenditure of funds already appropriated, and through the use of existing contract authorizations, revolving funds, and authorizations to expend from public debt receipts; and second, through acceleration of authorized projects and requesting additional appropriations when necessary for their completion?

7. Approximately what number and dollar volume of public works projects in each of the existing programs could be undertaken in fiscal 1963 and 1964 in each case above, without the new authority provided by S. 2965?

8. What are the criteria for each of the existing Federal loan programs, loan-grant programs, and grant programs for public works as defined in section 14(c) which would be waived by the provisions in section 5 (and by section 6(c) and 7) permitting grants up to 50 percent of the cost of projects, loans for the remainder, and removing the existing limitations regarding the apportionment of funds, the time in which grants may be made, and the dollar amounts of grants for any purpose, project or program.

9. Could this have a derogatory effect on existing programs such as community facilities, housing, airports, and others, or disrupt these programs to the extent it changes existing standards and criteria? Could it lead to demands that the standards for local and State participation and responsibility in these programs, now accepted by the Congress and local governmental bodies, be lowered?

10. If these criteria were changed at the present time to the lower standards provided by the bill, approximately what number and dollar volume of projects in each of the programs covered by the bill could be qualified for construction which could not otherwise be qualified, assuming sufficient funds were made available in both cases?

While it now appears that S. 2965 may not be called up in the Senate next week, it could come up at any time and very quickly. I want to be able to study this and other information related to the bill before the debate. Therefore, I hope you will send me a reply as soon as possible.

I realize that the facts for a complete answer to my 7th and 10th questions may not be immediately at hand. If that is the case, this information could follow and I would appreciate your comments on the other questions meanwhile.

Sincerely yours,

JOHN SHERMAN COOPER.

(No reply received.)

Mr. COOPER. Mr. President, I also ask unanimous consent that there be printed in the RECORD following my remarks a short time ago three amendments which I am prepared to offer to the bill, together with an explanation of the amendments. I had intended to offer them on behalf of myself, the Senator

from Delaware [Mr. BOGGS] and the Senator from Hawaii [Mr. FONG] in the case of all three amendments. In the case of the first amendment, amendment A, I had intended to offer it also on behalf of the Senator from South Dakota [Mr. CASE]. That amendment to strike the bill's financing provision would have been offered had the Senator from Virginia not offered his amendment; but I congratulate him for offering the amendment.

The amendments and explanation were ordered to be printed in the RECORD, as follows:

COOPER AMENDMENT TO SECTION 10 OF S. 2965

On page 14, beginning with line 1, strike out all through line 14 on page 15.

EXPLANATION OF THE COOPER AMENDMENT TO SECTION 10 OF S. 2965

The amendment strikes section 10(b) of the bill.

This is the section "to expedite financing activities" under the act, by permitting the President to borrow \$2 billion for public works construction from funds authorized for the Federal Deposit Insurance Corporation, the Federal Savings & Loan Insurance Corporation, the Federal home loan banks, the Housing and Home Finance Agency, and the International Bank for Reconstruction and Development.

The section struck out by the Cooper amendment follows section 10(a), which authorizes funds to carry out the purposes of the act by appropriations.

COOPER AMENDMENT TO THE KERR AMENDMENT TO S. 2965

On page 2, line 25, strike out "\$750,000,000" and insert in lieu thereof "\$600,000,000".

EXPLANATION OF THE COOPER AMENDMENT TO THE KERR AMENDMENT TO S. 2965

The Kerr amendment, in addition to other changes, increases from \$600 million to \$750 million the authorization for appropriations for the purposes of section 8 of the bill (known as the Chavez amendment).

The Cooper amendment to the Kerr amendment would reduce this authorization to \$600 million—the amount provided by the committee bill on page 11, line 1, and the amount recommended for the program by the President. It would be subject to action by the Appropriations Committees.

The section for which this authorization provides funds (section 8, known as the Chavez amendment) is directed to the construction of public works in areas having substantial unemployment in at least 9 of the 12 preceding months and in redevelopment areas designated under the Area Redevelopment Act. It is effective upon enactment, and would finance projects which could be completed not later than 27 months after the date of enactment. It would provide aid in those areas where there is greatest unemployment.

COOPER AMENDMENT (IN THE NATURE OF A SUBSTITUTE) TO S. 2965

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Emergency Public Works Act of 1962'."

"FINDINGS"

"SEC. 2. The Congress finds that (1) certain communities and areas of the Nation are presently burdened by substantial unemployment and underemployment and (2) action by the Federal Government is necessary to provide immediate useful work for the unemployed and underemployed in these communities. It is the intent and purpose of the Congress to provide for an immediate program of assistance for public works in those areas.

"GENERAL AUTHORIZATION"

"SEC. 3. (a) The Housing and Home Finance Administrator (hereinafter referred to as the 'Administrator'), may exercise the authority provided in this Act in areas currently designated by the Secretary of Labor as having been areas of substantial unemployment in each of at least nine of the twelve immediately preceding months, and in areas currently designated as 'redevelopment areas' pursuant to the Area Redevelopment Act.

"(b) The Administrator shall prescribe rules, regulations, and procedures which will assure that adequate consideration is given to the relative needs of the areas eligible for assistance. In prescribing such rules, regulations, and procedures, the Administrator shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

"(c) In the case of those projects or programs which qualify under standards established by the Administrator applying uniformly to all similar areas, if the Administrator determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to this Act for a project or program in such area may be made without regard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof.

"GRANTS FOR PUBLIC WORKS PROJECTS NOT ELIGIBLE UNDER EXISTING PROGRAMS"

"SEC. 4. (a) For the purpose of this Act, the Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to make grants from funds appropriated pursuant to section 7 to States and local public bodies to finance the initiation or acceleration of public works projects and programs which are not eligible for grants under other Acts of Congress.

"(b) The amount of any grant made under the authority of this section shall not exceed 50 per centum of the cost of undertaking and completing the project or program for which the grant is made.

"FEDERAL LOANS"

"SEC. 5. (a) For the purpose of this Act, the Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to use funds appropriated pursuant to section 7 to purchase the securities and obligations of, or make loans to, States and local public bodies which otherwise would be unable to meet their share of the cost of projects and programs for which grants have been authorized pursuant to section 4 of this Act.

"(b) All securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other financial institutions through agreements to participate or by the purchase of participations or otherwise.

"(c) No securities or obligations shall be purchased and no loans shall be made including renewals or extensions thereof which have maturity dates in excess of forty years.

"(d) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (1) 3 per centum per annum, or (2) the total of one-half of 1 per centum per annum added to the rate of interest required to be paid on funds obtained for the purposes of this section as determined by the Secretary of the Treasury as provided under subsection (e) of this section.

"(e) Funds used for the purpose of this section shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the preceding fiscal year and adjusted to the nearest one-eighth of 1 per centum.

"RESTRICTIONS AND LIMITATIONS"

"SEC. 6. The authority conferred by this Act shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be made with respect to any project or program unless the project or segment of work, to be assisted under this Act—

"(A) can be initiated or accelerated within a reasonably short period of time;

"(B) will meet an essential public need;

"(C) if initiated hereunder, can be completed within 18 months after initiation, but not later than twenty-seven months after the date of enactment of this Act;

"(D) will contribute significantly to the reduction of unemployment; and

"(E) is not inconsistent with locally approved comprehensive plans for the jurisdictions affected, wherever such plans exist.

"(2) Not more than 12½ per centum of the funds provided for projects and programs pursuant to this Act shall be made available within any one State.

"(3) The Administrator shall prescribe such rules, regulations, and procedures as will assure that no assistance under this Act shall be made available to any State or local public body unless the project or program for which the assistance is granted produces a net increase in the expenditures of such State or local public body for public works projects approximately equal to the non-Federal contribution to the project or program.

"APPROPRIATIONS AUTHORIZED"

"SEC. 7. There is hereby authorized to be appropriated the sum of \$600,000,000 to carry out the provisions of this Act.

"ADVANCES FOR PUBLIC WORKS PLANNING"

"SEC. 8. Section 702 of the Housing Act of 1954 is amended by striking out in subsection (3) 'July 1, 1961'; and the remainder of the subsection, and inserting in lieu thereof, 'July 1, 1961; and such additional sums which may be made available from year to year thereafter.'

"LABOR STANDARDS"

"SEC. 9. All laborers and mechanics employed by contractors or subcontractors on projects and programs assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. No such project or program shall be approved without first obtaining adequate assurance that these labor standards will be maintained upon the construction work.

The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 3 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

"DEFINITIONS"

"SEC. 10. As used in this Act—

"(a) The term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) The term 'local public body' includes public corporate bodies or political subdivisions; public agencies or instrumentalities of one or more States, municipalities, counties, or other political subdivisions of States; Indian tribes, and boards or commissions established under the laws of any State to finance specific public works projects.

"(c) The term 'public works' includes the construction, repair, and improvement of: public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; public hospitals, rehabilitation and health centers, and other public health facilities; public refuse and garbage disposal facilities, water, sewage, sanitary facilities, and other public utility facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, libraries, museums, offices, laboratories, employee housing, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures.

"(d) The term 'project' includes a separable, usable feature of a larger project or development.

"(e) The term 'segment of work' means a part of a program on which the work performed can be separately identified by location and will provide usable benefits or services."

Amend the title to read as follows: "A bill to provide authority to accelerate public works programs of State and local public bodies in areas of the Nation where there is substantial unemployment and underemployment."

EXPLANATION OF COOPER AMENDMENT TO S. 2965

In committee, I moved, with Senator Boggs, to strike the \$2 billion standby authority from the bill. I also moved to strike sections 10(b), the financing method giving authority to the President to borrow the \$2 billion from funds authorized for the Housing and Home Finance Agency, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Federal home loan banks, and the International Bank for Reconstruction and Development.

These motions were defeated, and the provisions are in the committee bill. The committee bill includes an additional section (sec. 8), known as the Chavez amendment, which authorizes an appropriation of \$600 million for public works not now eligible for Federal assistance.

The amendment offered by Senator KERR provides standby authority of \$750 million, and \$750 million for immediate use in areas of substantial unemployment under the Chavez amendment. His amendment would also strike the provision authorizing the President to borrow from the above-named agencies.

The purpose of my amendment is to limit the bill to the Chavez amendment (sec. 8 and its application to secs. 6 and 7).

The Cooper amendment—

1. Authorizes \$600 million, to be appropriated, for public works not now eligible for Federal assistance.

2. Would be administered by the Administrator of the Housing and Home Finance Agency. This Agency now has jurisdiction for community facility projects, has experience in the field of local public works, and is specified in sections 6 and 7 of the committee bill for this work.

3. Would provide Federal assistance to local communities on a matching basis. However, upon a determination by the Administrator that the communities were not able to provide their 50-percent share, such share could be reduced, but not lower than 10 percent, providing assurance that projects would meet an essential public need.

4. In the event a community is not able to provide its share of cost, the Administrator is authorized to make loans to the community for its share. Loans would not be for more than 40 years—at 3 percent, or $\frac{1}{2}$ of 1 percent added to the rate of interest paid on funds obtained for loans.

5. The \$600 million authorized by the Cooper amendment would be expended in areas of the Nation having substantial unemployment in each of at least 9 of the 12 preceding months and in areas designated as "redevelopment areas" under the Area Redevelopment Act.

Each of the provisions above are identical with provisions included in the committee bill under the Chavez amendment. They are included also under the Kerr amendment, which, however, raises the amount in the bill from \$600 million to \$750 million.

The total cost of the Cooper amendment would be \$600 million as compared to \$2.6 billion provided by the committee bill, and \$1.5 billion provided by the Kerr amendment.

The \$600 million authorized by the Cooper amendment would be subject to action by the Appropriations Committees.

The Cooper amendment would strike the \$2 billion standby authority authorized by the committee bill, and the \$750 million standby authority authorized by the Kerr amendment.

The money appropriated under the Cooper amendment would be expended in the areas of greatest unemployment and need. The funds would be expended on local projects which could be quickly planned, and upon which construction could be quickly commenced.

The Cooper amendment does not touch existing Federal public works programs or existing grants-in-aid programs, as does the committee bill and the Kerr amendment. Hence it does not upset the existing criteria for such programs, which have been considered and authorized by the Congress.

Mr. KEATING and Mr. BUSH addressed the Chair.

Mr. COOPER. I yield to the Senator from New York.

The ACTING PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. KEATING. Could the Senator take one more minute?

Mr. DIRKSEN. Madam President, I yield the Senator 1 more minute.

Mr. KEATING. Madam President, I think those of us who do not serve on the Committee on Public Works owe a deep debt of gratitude to the Senator from Kentucky, to the Senator from South Dakota, and indeed to the Senator from Virginia and other Senators who have focused attention upon this erratic proposal to take money provided to protect loans of the World Bank and deposits in savings and loans associations, and to put it into a public works program. This is the most fantastic proposal I have ever seen made in the Senate.

A vote on this should be a rebuke, a firm rebuke to those who shortsightedly propose any such fantastic method of financing.

I commend those who have taken that position.

Mr. ROBERTSON. Madam President, I yield 5 minutes to the distinguished Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Madam President, I join the Senator from New York [Mr. KEATING] in complimenting the Senator from South Dakota [Mr. CASE], the Senator from Vermont [Mr. PROUTY], the Senator from Kentucky [Mr. COOPER], the Senator from Delaware [Mr. BOGGS], the Senator from Hawaii [Mr. FONG], the Senator from Iowa [Mr. MILLER], and the Senator from Virginia [Mr. ROBERTSON] upon their strong position with respect to the phase of the bill about which we are speaking. It is one of the most amazing proposals I have ever seen in my business and political life.

The Senator from Pennsylvania [Mr. CLARK] said that it is irrelevant to have a vote upon the amendment. I think it is highly relevant indeed, and I hope that he is correct, and that the Senate will unanimously reject the proposal. The amazing fact is that the provision came into the bill as a serious proposal by the administration. I hope that the Senate's action today will nail the idea for all time, so that never again will such a ridiculous proposal as the one about which we are speaking come before the Senator or the House.

The proposal is a form of legalized embezzlement. If we were not a part of the Federal Government; if what the proposal would permit were done in private business circles, someone would go to jail. It would be exactly like a corporation dipping into pension trust funds and using those trust funds to finance deficits in its business.

Mr. CLARK. Madam President, will the Senator yield for a question?

Mr. BUSH. I will not yield until I have finished. If I then have time, I shall yield.

I can imagine what an outcry there would be if important executives were found dipping into pension trust funds in order to finance the losses of their business. That is what the administration is asking the Congress to approve. So I think the vote will be very significant. This proposal is another evidence that the administration seeks over and over again to bypass the Congress of the United States in matters affecting the need for money to finance proposed operations.

I think the time has come for us to give this proposal a good setback. I hope the Senator from Pennsylvania is correct, and that the Senate will unanimously agree to take that action.

Mr. CLARK. Madam President, will the Senator yield for a question?

Mr. BUSH. I yield.

Mr. CLARK. Is the Senator from Connecticut suggesting that either the President of the United States or the senior Senator from Pennsylvania is an embezzler?

Mr. BUSH. No; I did not suggest that.

Mr. CLARK. I thank my friend for his courtesy.

Mr. BUSH. I hope the Senator does not have a guilty conscience about the bill. I am not suggesting any individual slight to the President or to the Senator from Pennsylvania. I merely say that if the kind of proposed action took place in private business, it would be looked upon as embezzlement. That is all. I think it is time for us to realize that we cannot have a separate set of ethics and standards for the Federal Government from what we have in any other walk of life.

Mr. KERR. Madam President, I yield myself 7 minutes on the bill.

I am surprised at the language of the Senator from Connecticut. But if I were looking for a saint, I would not pick him out. I resent the statement that he made that if the bill as presented by the President of the United States were enacted, it would amount to embezzlement. I know of no prerogative on the part of a Member of the Senate off of this floor to state that an official request by the President of the United States would promote embezzlement.

Mr. BUSH. Madam President, will the Senator yield?

Mr. KERR. I do not. Certainly if the Congress of the United States passed a piece of legislation authorizing the President to finance public works projects in areas that are distressed, because of the high rate of unemployment or the poverty-stricken condition of the people in those areas, then the carrying out of that authority by the President could not become embezzlement, official or private, under any stretch of even partisan political imagination. No Senator knows that any better than does the Senator from Connecticut.

The Senator from Oklahoma tried in every way he knew how to resolve the differences between the members of the two parties in the Committee on Public Works. It was with the deepest regret that I came to the floor of the Senate with a bill from that committee that was reported on a partisan basis. Even after it was voted out on a partisan basis I sought the opportunity to cooperate with the distinguished Republican members of that committee, for whom I have the highest respect and regard. Through the years, as a member of that committee, I have worked as much with the great Senator from South Dakota [Mr. CASE] as with any member of that committee. So far as I know, the present bill is the first bill that ever came from the Public Works Committee of the Senate to the Senate floor since the Senator from South Dakota and I have been members of the committee with respect to which we were not together on the provisions of the bill. The same has been true with reference to the distinguished Senator from Kentucky [Mr. COOPER]. Time and time again the Democratic members of that committee, under our great chairman, the Senator from New Mexico [Mr. CHAVEZ], and with my cooperation, have worked to resolve our differences with the Republican members of that committee.

We have done it with the distinguished Senator from Delaware [Mr. BOGGS] and

with the distinguished Senator from Hawaii [Mr. FONG]. We have striven to do it with the distinguished Senator from Vermont [Mr. PROUTY], and the distinguished Senator from Iowa [Mr. MILLER]. Through the years that committee has striven to eliminate its differences with reference to proposed legislation brought to the floor of the Senate. That was our purpose in the present bill.

In the final analysis, it became apparent that we could not resolve our differences on the bill. However, I invite attention to the fact that the difference between the Democrats on the committee and the Republicans is one of amount. The Republican members of the committee are sponsoring a substitute bill. I do not know whether or not they are all in entire accord as to what the provisions of the substitute bill should be. I am aware of the fact that many of the Republican members of the committee agreed with the distinguished Senator from South Dakota on the provisions of his substitute bill. It is before the body now. It calls for an accelerated public works program of projects already authorized, and for the authorization of \$500 million for additional public works projects not now authorized. The amendment of the Senator from Oklahoma and the Democratic members of the committee calls for a public works program of \$750 million for the first fiscal year.

Actually there is not as much difference between the first part of our proposal and that of the Senator from South Dakota as might appear from an examination of the two figures, \$500 million on the one hand and \$750 million on the other, because, in addition to its proposal to authorize the \$500 million, authority is proposed for all agencies of the Government engaged in the building or construction of public works to accelerate their program by 10 percent in each of the next 2 fiscal years. When that amount is added to the \$500 million, the difference between the two proposals is reduced, insofar as the fiscal year 1963 is concerned.

The proposal of the Senator from Oklahoma and the other Democratic Members of the Senate goes further, and provides that if conditions worsen there will be triggered an authorization of an additional \$750 million, to take effect at the beginning of fiscal 1964, implemented only by appropriations.

It had been my hope that we could work out this matter and resolve these differences without the slinging of epithets or insults across the aisle. I have none to deliver or sling at anyone. I resent what the Senator from Connecticut has said. If he repeats it, I will resent it again. If he wants to engage in a broil under the Senate rules on the Senate floor, the Senator from Oklahoma is ready to engage in it.

The PRESIDING OFFICER (Mr. METCALF in the chair). The time of the Senator has expired.

Mr. KERR. I yield myself 5 additional minutes on the bill.

When the Senator refers to a situation under which the President of the United States makes a proposal and Congress

passes a law to implement it, and states that anyone participating in it would be guilty of embezzlement, he makes a statement which constitutes an insult and which is unjustified and which he cannot under any circumstances substantiate.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. KERR. I do not yield.

Mr. DIRKSEN. I yield 5 minutes to the Senator from Connecticut on the bill.

Mr. BUSH. I am sorry that the Senator does not wish to yield. I should like to ask the distinguished Senator from Oklahoma if my statement was not correct that if any corporate management or anyone in business life did what is proposed to be done here, namely, to dip into the trust fund or the pension fund of his company, to borrow money from it, or to take money from it, in order to finance a deficit in his own business, whether there would not be grounds for him to go to jail. This has been said on the floor with respect to this same matter. This is what I am trying to point out. It is that we are trying to set a different standard for the Federal Government than is commonly expected to be an appropriate standard in business and commercial life.

Mr. KERR. I will answer the Senator on my own time.

Mr. BUSH. I ask the Senator to comment on it.

Mr. KERR. I yield myself 2 minutes on the bill. There is no relationship between directors of a corporation taking an illegal action and the situation that would be before the Senate if the body had before it proposed legislation to carry out a recommendation of the President of the United States. That would contemplate a situation which was duly authorized by Congress. The illustration the Senator from Connecticut used was presumed to be an illegal situation. Therefore there can be no relationship between the situation that he visualized and the situation that would be contemplated under legislation to legally authorize the President of the United States to take action. Therefore, there is no justification for the statement that if a private corporation were to do that which is contemplated here it would be a violation of the law, because nothing is contemplated here except the enactment of a law, which, if enacted, would make legal the action taken under it.

Therefore there can be no relationship between the two, and no one knows that better than the Senator from Connecticut. Therefore his illustration cannot be based upon what he believes to be the facts, but must be based on what he believes to be an opportunity for political advantage.

Mr. DIRKSEN. I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. I wish to say that what the bill seeks to do is to make legal what would be, in any other enterprise or walk of life, illegal. That is the reason why I have spoken as I have. I think it would set a very bad example. In order to show how bad an example it is, it had to be related to the established standards of conduct in connection with

pension funds or trust funds in other walks of life. I agree I have spoken strongly. I have not accused anyone of being an embezzler. I have said that if this type of thing were done in any other walk of life, or in business, or if a union were to do it or if a corporation were to do it, for example, it would result in those who were responsible for it going to jail.

I do not believe that that is unfair or an incorrect appraisal of the situation. I am not making personal charges. I am pointing out that the situation that confronted the Senate and does confront the Senate is unparalleled, that it is bad business, and it ought to be thoroughly and soundly rejected.

Mr. KERR. I yield myself 3 minutes on the bill.

The Senator from Oklahoma is probably as familiar with corporate setups as is the Senator from Connecticut. The Senator from Connecticut is equally aware of the fact that a corporation can set up its business on the basis of what is provided in its bylaws. It has the authority under law to authorize its officers to utilize funds for legal purposes in certain instances that might be set up for one purpose and available upon the decision of the board of directors to be used for another purpose. So that the illustration the Senator used with reference to private enterprise is not applicable, because that which had been contemplated here would have been entirely legal, and the only thing he could compare it to would be a private enterprise operating on a basis that would be a legal one.

Therefore I get back to the earlier position, that the injection into the discussion of embezzlement was inappropriate and unfair and unjustified and highly partisan.

Let me say again that, so far as I am concerned, I would like to see the partisan element of this program eliminated. I will take my chances on the development of partisan issues when it comes for me to run for reelection, without subjecting to a partisan battle the misery of Americans in families that are unemployed in areas that are distressed economically or areas where families are being displaced by abandonment or changes or modernization of industry, or changing conditions.

It would seem to me that a bill that has for its purpose the elimination of human suffering might be considered by the Senate in the traditional manner of both parties, certainly on the Public Works Committee, and that is to meet the problem which confronts all people, Democrats and Republicans alike, in a bipartisan manner, without anyone seeking to reduce it to about the lowest level of partisan politics that I have seen displayed on the floor since I have been a Member of the Senate. I am referring to the remarks of the Senator from Connecticut.

Mr. DIRKSEN. I yield myself 5 minutes on the bill.

First let me say with respect to party relationship in the Public Works Committee, that from observation the minority members and the majority

members have always worked exceedingly well together. I compliment the acting chairman on the rather gracious and tolerant way in which he has dealt with the minority. When we sought to fix a time limit on amendments on the bill, all of the minority members and the acting chairman and the majority leader met in my office. After some discussion, we all agreed as to how the bill should be handled and what the mode of procedure should be on the floor of the Senate. So I compliment the committee itself and all the members thereof for the tolerant and forbearing way in which this subject was considered.

I wish to address one word to the distinguished Senator from Pennsylvania [Mr. CLARK], the sponsor of the bill. He undertook to lament the request for a yea-and-nay vote. I think the distinguished Senator from New York [Mr. KEATING] used exactly the right word when he said there ought to be a yea-and-nay vote as a kind of rebuke to those who appeared before the committee and there supported, in the language of the Senator from Kentucky [Mr. COOPER], the unique financing provisions which were originally in the bill.

It should be pointed out that Cabinet members testified before the committee. It should be pointed out that a number of Senators testified. It should be pointed out that the Chairman of the Board of Economic Advisers testified. It should be emphasized that the Director of the Bureau of the Budget testified in behalf of the bill in its original form. Obviously, when the whole procedure is considered, it can well be understood why nobody wants to assume the responsibility of proposing the use of the funds now made available to the Housing and Home Finance Agency, dipping into the balance of the U.S. subscription to the World Bank, and tampering with the borrowing authority reserves of the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. I can well understand now why no one wishes to associate himself with that suggestion; but "rebukey" is the word, and the Budget Bureau today ought to be rebuked by a solid vote of the Senate for proposing and sponsoring a financing provision of that kind.

I trust that we may now get on with the business, that we may now proceed with the yea-and-nay vote on the question of the deletion of language on pages 13, 14, and 15, and will then let other language, in the form of direct authorizations for appropriations, be submitted.

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, it seems that the result of the vote which will be taken will indicate that the original contents of the bill were unsound, so far as they dealt with the method of financing this proposal; but, in my judgment, we cannot rest content upon the anticipated result unless we allow what is happening to leave with us the impression that this type of financing will not be tolerated by the U.S. Senate. Unless it is today written permanently that the

Senate will not allow a raid on the trust funds to take place, all that we shall do will be in vain.

If the proposal were made that trust funds be diverted in the bill, it might occur to someone in the future that what was denied on this day may be retried and made successful. That should not happen.

It must be conceded that under the language in the bill authorizing funds for public works projects, the Government may take the trust funds which were pledged to depositors in building and loan associations as a guarantee that their deposits will not be lost in case of a failure of the associations. It also must be admitted that the language of the bill provides that trust funds which were impounded or earmarked to guarantee against losses to depositors in banks may be taken. It is pretty hard to conceive how the thought was originated that this mode of financing ought to be adopted.

Banking institutions and savings and loan associations in Ohio have sought authority to operate, but they have encountered difficulty because the Federal body guaranteeing the deposits in such associations have said that, for instance, in Cuyahoga County there were too many building and loan associations, and that the Federal body could not undertake to guarantee any more deposits. I point that out merely to establish the significance and meaning of guarantees of deposits up to \$10,000.

I concur in the statement of the Senator from Oklahoma [Mr. KERR] that the Senate has the authority to do whatever it pleases, and that there would be no legal wrong upon which actions could be brought. Right or wrong, the Congress is omnipotent in this matter. It can give and it can take away. However, I think the Senator from Oklahoma realizes, just as all other Senators realize, that at least normally, when the deposit guaranty agencies were created, Congress stated to the depositors that the Government would create a trust fund, made up of the premiums paid by banks and building and loan associations, which would be available if and when moneys were needed to pay depositors whose deposits were lost. Depositors further were told that while the Government would set aside the premiums paid by banks and savings and loan associations; that pledge would be reinforced by another pledge by the Government to pay the moneys needed in the event of failures of the depositaries.

That pledge should be kept; we should not break it. I think the result of the motion made by the Senator from Virginia will indicate our purpose to keep that pledge.

I commend the Senator from Virginia [Mr. ROBERTSON], the Senator from Kentucky [Mr. COOPER], the Senator from South Dakota [Mr. CASE], and also the Senator from Oklahoma [Mr. KERR], because the Senator from Oklahoma is just as conscientious as the rest of us concerning the belief that the funds should not so be used.

Mr. President, my argument probably has been meaningless, because the mind of the Senate is pretty well fixed; but I believed something must be said to guard against a recurrence of this act in the future.

Mr. KERR. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. KERR. I wish to say to the Senate that if the motion of the Senator from Virginia is agreed to, it will approve a portion of the amendment now before the Senate, offered by the Democratic members of the Public Works Committee; and in voting for it, I shall in no way be voting to rebuke the President of the United States, the Secretary of Labor, the Assistant Director of the Bureau of the Budget, the members of the Economic Advisory Council, or anyone else. My purpose is to secure the enactment of legislation to relieve the misery of poverty in areas of excessive unemployment and economic distress; and it was my judgment that in order to expedite the passage of proposed legislation to permit that, it would be the part of wisdom to bring to the Senate a proposal to finance it on the basis of authorization and appropriation. That was my purpose, and it was also the purpose of those of my colleagues who joined me in offering the amendment; and our purpose was not to deliver a rebuke to anyone.

In order that the distress of my friend, the Senator from Ohio [Mr. LAUSCHE], may be alleviated, and in order that the impression he has had—which was erroneous—may be corrected, I say to him that the bill as reported to the Senate did not provide for the use of any trust fund of any agency of this Government; and the sacred obligations of the FDIC, the Housing and Home Finance Agency, the Federal Savings and Loan Corporation, and the others referred to, would not in any way have been jeopardized or hindered by enacting the bill in the form in which we reported it to the Senate.

The unobligated balances in these funds as of June 30 are as follows—and I am not referring to the trust funds of these agencies; I am referring only to their borrowing authority:

The International Bank for Reconstruction and Development, \$5,715 million. That is not a trust fund; it is borrowing authority which it has had for many years, but has not used.

The Housing and Home Finance Agency, borrowing authority which has not been used, \$5,416 million.

The Federal Deposit Insurance Corporation, borrowing authority which it has not used, and has not needed to use, \$3 billion.

The Federal Savings and Loan Insurance Corporation, borrowing authority, \$750 million.

The Federal Home Loan Bank Board, borrowing authority, \$1 billion.

A total of borrowing authority, constituting the unobligated balances of these agencies, of \$15,881 million.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I shall be glad to yield in a moment.

So, Mr. President, there was no purpose to jeopardize the trust funds, the fiscal responsibility, or the ability to meet their obligations, of any of these agencies; and the language of the bill, as we reported it to the Senate, and which will be deleted if the suggestion of the Senator from Virginia is carried out, is as follows: "Provided, That there are hereby authorized to be appropriated such amounts as may be required to restore such transferred balances not otherwise restored to the sources of funds from which they were derived."

Mr. President, I shall agree to the request of the Senator from Virginia, because I am perfectly willing to have the Senate act on the part of the bill, which I and other Senators sponsored, to eliminate that source of financing from the bill, and then to vote on my amendment, which, if enacted, will provide the regular authorization and appropriation source of financing. I shall do that, I say to the Senate, in order to expedite what I regard as very worthy legislation, which is recognized by Senators on both sides of the aisle as being necessary; and I shall not do it as a rebuke to anyone; and certainly in doing it I am in full possession of my faculties, and therefore I am fully cognizant of the fact that the bill, as reported to the Senate, did not authorize the dipping into any trust fund of any agency of the Government.

Mr. KERR subsequently said: Mr. President, in my remarks I referred to the estimated unobligated balances of agencies which, had the bill been enacted as it was brought to the Senate, would have been used in financing certain provisions of the bill. I ask unanimous consent that at the conclusion of that part of the statement there be included in the RECORD the paragraphs at the bottom of page 5 and a little of the top of page 6 of the committee report which are pertinent to the manner in which these unobligated balances would have been treated had the bill been enacted as brought to the Senate.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

FINANCING

Economic developments may cause the standby authority provided by this bill to be invoked when Congress is not in session. In order to expedite financing activities authorized by the standby provisions of this bill, the President is authorized, once the standby authority is triggered, to transfer to the appropriate accounts of any department or agency of the executive branch, balances of authorizations to expend from public debt receipts available for the Housing and Home Finance Agency, for loans to the Federal Savings and Loan Insurance Corporation, for loans to the Federal Deposit Insurance Corporation, for the purchase of obligations issued by the Federal home loan banks, and for payment of the subscription of the United States to the International Bank for Reconstruction and Development. The funds made available for use by the President are far in excess of the \$2 billion which the President is authorized to transfer.

Estimated unobligated balances as of June 30, 1962

	Millions
Funds appropriated to the President (borrowing authority available for investment in the International Bank for Reconstruction and Development).....	\$5,715
Housing and Home Finance Agency (borrowing authority).....	5,416
Federal Deposit Insurance Corporation (borrowing authority).....	3,000
Federal Savings and Loan Insurance Corporation (borrowing authority).....	750
Federal Home Loan Bank Board (borrowing authority).....	1,000
Total.....	15,881

Since the great bulk of the funds are themselves contingency authority, the committee is confident that the transfers can be made without using any funds likely to be required before the Congress has opportunity to provide the new obligational authority necessary to restore the balances transferred.

To assure that the operations of the agencies from which the President is authorized to transfer funds are not impaired, the committee has required that only those funds estimated to be in excess of the amount needed by these agencies in the current fiscal year for obligation or expenditure for the purposes for which they were made available may be transferred. All transferred balances are authorized to be restored.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I had agreed to yield first to the Senator from West Virginia [Mr. RANDOLPH]; and then I shall be glad to yield to the Senator from Rhode Island.

Mr. PASTORE. I thank the Senator.

Mr. KERR. Mr. President, at this time I yield to the Senator from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. President, the brief comment I am about to make will be repetitive. It will, however, also reinforce the lucid statement made by Senator KERR, the acting chairman of the Public Works Committee. Even yet, there may be some disposition among certain Members of the Senate to believe that this legislation came from the Public Works Committee without a provision for the deletion of the language in regard to the objectionable form of financing, to which rather caustic reference has been made.

In order to present this factual background, it is pertinent to indicate that during the discussion of this specific subject matter within the committee, it was the able Democratic Senator from Maine [Mr. MUSKIE], I recall, who first actually discussed this financing situation. Other members of the committee entered into the discussion.

The very fact that the astute acting chairman of the committee [Mr. KERR], who is the floor manager of our bill today, has indicated that the amendments were offered by him, and were cosponsored by 10 other Democratic members of the committee—constituting the entire Democratic complement in the Public Works Committee—is certainly proof positive of the fact that last Friday, in connection with the presentation of the amendments for the majority, it was

recognized by the Democratic members of the committee—11 in number, I repeat—that this form of financing should not be used in the important acceleration of public works under the pending bill.

Mr. President, the senior Senator from Oklahoma, and the members of the majority in the committee, have been objective and have been cooperative in reaching an understanding and compromise on this vital measure.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. PASTORE. I should like to compliment the distinguished Senator from Oklahoma, the Senator having the bill in charge, for the statement he made, because I believe he has clarified the atmosphere which has enveloped this Chamber during the last half hour or so.

I regret very much that we have allowed ourselves to use the words "rebuke" and "raid upon trust funds." After all, all of us should have only words of compliment on our lips in regard to what the President is trying to do by this means. This is standard public works legislation to alleviate, as the Senator from Oklahoma has pointed out, the suffering of people in some of the communities; and the President of the United States is alive to the problem, and wants to do something about it, and wants to act on it in a very expeditious way. All he asks of us is that we grant him authority to use the unobligated funds we have previously authorized to other agencies under the President's jurisdiction, so that the President can use that money to create public works projects which will put people back to work in times of a dip in our economy.

I recognize the fact that the Senate is trying to accomplish that in another fashion; and I shall support that. But I want the RECORD to show that I, for one, congratulate the President of the United States for moving at this time. He seeks the power to be able to move in, in order to cure such defects which may occur.

Therefore, Mr. President, I shall support the pending motion—not as a rebuke to the President, but because we in the Congress feel that if occasion for it arises, we will authorize such appropriations and we will make appropriations for that purpose. There is no raid of any trust fund. There is no rebuke of any President. As a matter of fact, this afternoon we ought to congratulate the President for being alert to the situation.

Mr. KERR. Mr. President, I ask unanimous consent that the clerk read the message of the distinguished chairman of the Public Works Committee [Mr. CHAVEZ], and that the time be taken out of the time allotted to the proponents of the bill.

Mr. ROBERTSON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Virginia has 11 minutes remaining.

Is there objection to the unanimous consent request of the Senator from Oklahoma? The Chair hears none, and the clerk will read the message.

The legislative clerk read Mr. CHAVEZ's statement, as follows:

STATEMENT BY SENATOR CHAVEZ

As chairman of the Committee on Public Works, I normally would handle the bill, S. 2965, which is before us. Because of my inability to speak as well as I would like, Senator KERR has kindly consented to handle the bill for me.

I know that there are other views with respect to the approach which should be taken in providing for public works to aid in reducing unemployment. I want to say that the minority members of our committee have been most cooperative throughout the years that I have been chairman, and I want it to be known that I highly respect them as individuals and respect their views, although in this instance, I cannot agree with them.

S. 2965 as amended by those amendments introduced by Senator KERR would provide the following:

1. There would be authorized an immediate program of public works in the amount of \$750 million for use in area of substantial unemployment and a redevelopment areas under the Area Redevelopment Act.

2. There would be authorized a standby program which could not be triggered until after June 30, 1963, in the amount of \$750 million. The triggering would occur when the national unemployment rate is at least 5 percent and has risen by 1 percent over a period of 9 months, but not less than 3 months.

3. Both programs would terminate within 27 months after their initiation or authorization. Funds for both would be by direct appropriations.

4. The programs would provide for:

(a) The acceleration of Federal projects;

(b) Increasing the present day grant-in-aid programs;

(c) Allow for additional grant-in-aid programs not now authorized such as the construction of State, county, and municipal buildings, water works, garbage disposal, sewage collection systems, and other such work; and

(d) Funds would be made available for loans for those projects under the grant-in-aid programs where the communities are not able to finance their matching share; and

(e) There would be a limitation under the standby program of 50 percent for grants to public bodies and a limitation of 90 percent under the immediate program to public bodies.

Mr. ROBERTSON. Mr. President, I yield myself all my remaining time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBERTSON. Mr. President, we met at 10:30 for the purpose of expediting action on this bill. It is now a quarter of 1, and we have not finished action on the first amendment, which was supposed to be noncontroversial.

The junior Senator from Virginia not only hopes, but expects, to get votes on his amendment from both sides of the aisle. Under those circumstances, and in order to expedite action, I ask unanimous consent that there be printed in the RECORD at this point the remarks I had been prepared to make with respect to my amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am glad that the Senate leadership has decided to reject the new version of back-door financing proposed in S. 2965, the so-called Standby Public Works Act of 1962. The elimination of this provision makes it unnecessary to refer the bill to the Committee on Banking and Currency. As revised

by my amendment, S. 2965 would no longer authorize the President to transfer funds for standby public works from unobligated balances of authorizations to expend from public debt receipts; it no longer would threaten the ability of the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation to back up Governmental insurance of bank accounts and savings and loan accounts; it no longer would threaten the soundness of Federal home loan bank obligations; and it no longer would threaten the continuance of Housing and Home Finance Agency programs.

I am glad that the Senate has recognized that a proposal of this sort should be dropped without further ado. I am glad that the Senate has recognized that it is not necessary to call in the agencies and industries and individuals, who would have been affected by the proposal, to demonstrate the harm they would have suffered.

I should like, however, to point out another objectionable aspect of this proposal which deserves comment, though it is not one particularly applicable to the Banking and Currency Committee. This proposal would have provided back-door Treasury financing authority for a public works program, but presumably without creating any new back-door borrowing authority and without requiring any increase in the authority to expend from public debt receipts.

As developments during the first session of the 87th Congress showed, a request for an increase of \$2 billion in back-door Treasury financing would undoubtedly have met strong and concerted opposition. So, instead of increasing existing back-door Treasury financing by \$2 billion, the bill would have permitted the use of existing back-door Treasury financing authorizations for a new purpose.

Back-door financing is bad. And it is just as bad to go through the same back door twice as it is to enlarge the size of the back door.

The proper course is to use the regular appropriations process. When an appropriation has been authorized in substantive legislation, and when appropriations have been made under the authorization, Congress has had a chance to consider the program and its financing carefully and thoroughly. This, in my judgment, is responsible legislation.

I regret to say that I expect to find it necessary in the near future to point out to the Senate the financing features of another bill, S. 3123, which is now on the calendar. Under S. 3123, the construction of a new headquarters building for the Housing and Home Finance Agency would be authorized. But instead of financing this building by the usual appropriations process, another unconventional device would be used. The Federal Housing Administration would be authorized to make a loan from the mutual mortgage insurance fund. This is the fund which covers the FHA regular home mortgage insurance program. Under section 206 of the National Housing Act, moneys in the fund which are not needed for current operations may be invested in bonds or in other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. This is in accordance with the general principles which have always governed the investment of Federal trust-type accounts.

S. 3123 would permit these funds to be lent on what amounts to a 25-year mortgage.

When S. 3123 is brought up for consideration by the Senate, I intend to move to have this bill referred to the Banking and Currency Committee so that we can review its effect on the FHA and those interested in the FHA regular home mortgage insurance program.

Mr. ROBERTSON. Mr. President, I yield back the remainder of my time, and express the hope that we will have a vote, since the yeas and nays have been ordered.

Mr. MUNDT. Mr. President, will the Senator yield me 1 minute?

Mr. ROBERTSON. I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. I rise merely to salute the Senator from Virginia on his wisdom, prudence, and statesmanship in offering the amendment which has been offered. I am happy we are going to have a roll-call on it. I think it is going to pass overwhelmingly. The reason why I think a roll-call on the amendment is important is the need to establish the legislative record so that the U.S. Senate will speak overwhelmingly this afternoon as a further guideline to the White House, or to anybody else suggesting this kind of financing, that we do not approve of it. I think a roll-call is important for that reason, because I think it is important that those on the other end of the avenue can look at and recognize this senatorial position established by roll-call vote as a wall of financial sanity that we do not expect to destroy or detour.

Mr. ROBERTSON. I appreciate the remarks of the distinguished Senator from South Dakota. I noted, after I had expressed objection to this kind of financing on the 27th of April, that the distinguished Senator from Kentucky [Mr. COOPER] had offered an amendment in committee to take this section of the bill out, but while the committee report was dated the 25th of April, it was not available to us until the 27th of April. I want to acknowledge the fact that the distinguished Senator from Kentucky [Mr. COOPER], as we afterward ascertained, made this point in committee. Naturally, I am pleased to have his support on the floor. I understand he will vote for the amendment.

Mr. President, I yield back all of my remaining time.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, we are about to vote, and it really is not necessary to prolong the discussion. However, I feel some satisfaction in seeing the unanimity of support which is developing for the position I took the day following the availability of the President's message to Congress.

I spoke at noon, and I think only two or three Senators were present on the floor at that time. I spoke a second time. In committee I raised the question. During the hearings I raised it with Secretary Goldberg, and the representative of the Bureau of the Budget when we met in executive session. I am glad now to see the members of the majority join, apparently unanimously, in support of the position which I took at that time.

There is one thing I think should be said for the record with respect to whether these are trust funds or not. These several funds are in the table which the Senator from Oklahoma has placed in the RECORD, and were also in

the portion of the minority views which I previously placed in the *Record* today. Whether one calls them trust funds or not, they were reserve funds.

The borrowing authority for the Federal Deposit Insurance Corporation, for the Federal Savings and Loan Insurance Corporation, for the International Bank for Reconstruction and Development, and for the Federal Home Loan Bank Board, at least represented funds to be called upon in an emergency. It is true that the language of the bill would have authorized an appropriation to restore the funds if they were used.

The only argument ever advanced for dipping into the reserve funds was that the President should have some money on which he could put his hands when Congress was not in session.

Mr. President, if the banks needed the money, if they needed to use the borrowing authority, or if the savings and loan institutions needed to use the borrowing authority, and the Congress were not in session, what kind of emergency then would exist?

Whether these are called trust funds or reserve funds, the purpose of the funds would have been violated, in my opinion, if we had established a precedent that the borrowing authority from the Treasury could be diverted to spending for current projects. If a real emergency were to arise, for which the reserve funds were created, they might not be available and Congress might not be in session.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to my colleague.

Mr. MUNDT. Mr. President, I wish to express my congratulations for the splendid job which has been done under the leadership of my colleague [Mr. CASE], along with the Senator from Vermont [Mr. PROUTY], the Senator from Hawaii [Mr. FONG], the Senator from Delaware [Mr. BOGGS], and the Senator from Iowa [Mr. MILLER]. The minority views they wrote form the basis for the amendment which has been offered, on which we are about to vote, offered by the Senator from Virginia.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from South Dakota.

Mr. MUNDT. It seems to me it is a devastating and memorable attack on this type of fiscal irresponsibility, which would obligate reserve funds established for one purpose for expenditure for an entirely different purpose.

It is good for us to study these views carefully. If they have not been printed in the *Record* already, I wish to ask unanimous consent that the two pages of the minority views prepared by my colleagues—

Mr. CASE of South Dakota. Those views have been ordered to be printed in the *Record*.

Mr. MUNDT. Very well. So long as the Senator has already asked to have them printed in the *Record*, they can be studied should a future contingency con-

front us, and there is no need to have them printed twice.

Mr. KERR. Mr. President, I yield myself 1 minute from the time on the bill.

I wish to remind the Senate that when Senators vote "yea" on the question before the Senate they shall be voting for a portion of the amendment offered by the Senator from Oklahoma and other Democratic members of the Committee on Public Works. The motion of the Senator from Virginia is that a part of our amendment be separated and voted on first. In reality, Senators will be voting for a part of the amendment offered by the Senator from Oklahoma and his Democratic colleagues.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. KERR. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. PASTORE] from the time on the bill.

Mr. PASTORE. Mr. President, I am one of those who sincerely feels and honestly feels that when the President of the United States sent his recommendation to the Congress his motives were noble. In view of what has been said this afternoon, that this is to be a rebuke to the President of the United States, I shall go on record as voting against the motion of the Senator from Virginia.

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute?

Mr. KERR. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I do not look upon this as being a rebuke to the President of the United States. When the President sends a message to the Congress, or proposed legislation to this body, he expects the committee having jurisdiction over the proposed legislation, as well as the Senate, to work its will. He has been a Member of Congress, and for long enough to know where the line of demarcation is. I certainly think the President understands that, so far as this particular committee is concerned, and certainly so far as the Democratic members of it are concerned, there was an exercise of independent judgment, an effort to do what was best. The Senators honored the message which the President sent to the Congress, which called forth the proposed legislation.

By introducing that proposed legislation, I think the Senator from Pennsylvania [Mr. CLARK] did a distinguished service, because he has been interested in the subject for years. I hope that we shall not become involved in politics on this question, but that we may look upon it as a step in the right direction, regardless of party.

Mr. CLARK. Mr. President, will the Senator yield me 30 seconds?

Mr. KERR. Mr. President, I yield 30 seconds to the Senator from Pennsylvania from the time on the bill.

Mr. CLARK. I shall vote "yea" on the vote about to be taken. Some pretty silly things have been said on the floor of the Senate today. Perhaps the most silly of all is that if a Senator should vote "yea" on the vote to be taken, it will

be a rebuke to the President of the United States. It will not be a rebuke to the President of the United States. It will not be a rebuke to the author of the original bill.

Arrangements have been made which I think are highly intelligent, with respect to the management of the bill, to substitute a different method of financing. I am happy to go along with that. I shall, accordingly, vote "yea."

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. MANSFIELD. Time has been yielded back on this side, Mr. President.

Mr. DIRKSEN. I yield back the remaining time on the amendment, Mr. President.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON]. On this question, the yeas and nays have been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], the Senator from Idaho [Mr. CHURCH], the Senator from Nevada [Mr. CANNON], the Senator from Louisiana [Mr. LONG], and the Senator from New Mexico [Mr. CHAVEZ] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Missouri [Mr. SYMINGTON], the Senator from Louisiana [Mr. LONG], and the Senator from Mississippi [Mr. STENNIS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 70, nays 4, as follows:

[No. 68 Leg.]

YEAS—70

Aiken	Hart	Moss
Anderson	Hartke	Mundt
Beall	Hayden	Murphy
Bennett	Hickenlooper	Muskie
Bible	Holland	Neuberger
Boggs	Hruska	Pearson
Burdick	Humphrey	Pell
Bush	Jackson	Proity
Byrd, Va.	Javits	Proxmire
Byrd, W. Va.	Johnston	Randolph
Case, N.J.	Jordan	Robertson
Case, S. Dak.	Keating	Russell
Clark	Kefauver	Scott
Cooper	Kerr	Smathers
Cotton	Lausche	Smith, Maine
Curtis	Long, Hawaii	Thurmond
Dirksen	Mansfield	Tower
Dodd	McCarthy	Williams, N.J.
Douglas	McClellan	Williams, Del.
Dworshak	McGee	Yarborough
Eastland	Miller	Young, N. Dak.
Engle	Monroney	Young, Ohio
Fong	Morse	
Gore	Morton	

NAYS—4

McNamara	Pastore	Smith, Mass.
Metcalf		

NOT VOTING—26

Allott	Ellender	Long, La.
Bartlett	Ervin	Magnuson
Butler	Fulbright	Saltonstall
Cannon	Goldwater	Sparkman
Capehart	Gruening	Stennis
Carlson	Hickey	Symington
Carroll	Hill	Talmadge
Chavez	Kuchel	Wiley
Church	Long, Mo.	

So Mr. ROBERTSON's amendment to Mr. KERR's amendment was agreed to.

Mr. KERR. Mr. President, I yield myself 30 seconds on the bill to call attention to the fact that in the language deleted on page 14, lines 18 and 19, specific exception of an exclusion from the provisions of the bill with reference to balances of trust funds was provided in the bill that was brought to the floor and in the language that was deleted.

Mr. President, I now ask unanimous consent that the remaining amendments contained in the amendments offered last Friday by myself and other Senators be considered en bloc with the appropriate language in line 11 to connect the portion of the amendments prior thereto and the part of the amendments subsequent to that which was deleted so that it will be grammatically correct.

Mr. CASE of South Dakota. Reserving my right to object, earlier during the day when the request was first made to consider the amendments en bloc, I raised a question with regard to the four amendments which appear on page 2, lines 14 to 21, of the amendment offered by the Senator from Oklahoma, for himself and other Senators. I raised the question as to whether or not that destroyed the limitation which the lan-

guage had deleted by those amendments. The Senator from Oklahoma suggested that I should confer with him on that.

It is true that those amendments would remove the limitations in those four categories on pages 7, 8, 9 and 10. However, the Senator from Oklahoma has called my attention to the fact that on page 13 of the bill he has restored a limitation under the paragraph designated "(b)," which starts in line 3 of page 13.

I now wish to ask the Senator from Oklahoma if that is correct, namely, that in his judgment the language in lines 3 to 10, inclusive, on page 13, identified as paragraph (b), restores an appropriate limitation for the four categories that would have been eliminated under the language he proposes to strike.

Mr. KERR. The answer to the question is almost yes. Paragraph (b) on page 13 specifically provides that assistance shall not be more within any one State than 12½ percent of the aggregate funds provided for projects and programs pursuant to sections 4, 5, 6, and 7 of the Act.

I believe that the language on page 2 of the amendment, beginning with line 16 and running through line 21 in reality refers to the allocation of moneys under the bill, as had been contemplated—

Mr. CASE of South Dakota. Had there been the \$2 billion authorization.

Mr. KERR. As had been contemplated had there been the \$2 billion authorization. Therefore I do not believe that the accomplishment of the Senator's purposes depends upon the defeat of these four amendments; rather, I believe the four amendments are in the direction of accomplishing the Senator's position.

Mr. CASE of South Dakota. I believe that is probably true, in view of the amendment which has already been adopted. Therefore I would not object to considering the amendments en bloc with respect to those four amendments that I have mentioned. However I do object to and would want a separate vote on the two amendments which deal with money authorization. Those two amendments I describe as follows:

On page 2 of the group of amendments offered by the Senator from Oklahoma, for himself and other Senators, beginning at line 22, there is contemplated a change of the \$600 million figure in the bill to \$750 million, with a little additional language. I would want a separate vote on that proposal, to increase the figure from \$600 million to \$750 million.

I also would ask for a separate vote on the amendment which has already been modified in effect, which starts on page 3 at line 11, which would insert a paragraph headed "Appropriations Authorized." That language would insert the second \$750 million figure.

On those two amendments I would want a separate vote.

Mr. KERR. I have no objection to voting on those two amendments separately. I now renew my request that the remaining amendments be voted on en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. I have no objection. However I do wish to point out that the Senator from Iowa [Mr. MILLER] has advised me that he has an amendment to one of the amendments that would be in the bloc group. I want his rights preserved.

Mr. KERR. I would presume that amendments could be offered to the amendments. I therefore have a parliamentary inquiry on that point.

The PRESIDING OFFICER. Before the amendments are agreed to en bloc, the Senator from Iowa would have to designate which amendment he has in mind.

Mr. MILLER. The amendment which I would propose would be to line 6 on page 1 of the Kerr amendments. It may be that my amendment will be agreed to by the Senator from Oklahoma. In any event, I certainly wish to protect my right to offer the amendment at that point.

Mr. KERR. What is the Senator's amendment? I would not know whether I could agree to it unless the Senator tells me what his amendment is.

Mr. MILLER. The amendment would simply change the figure "5" to "6".

Mr. KERR. I could not agree to that amendment. However, I would ask unanimous consent that the Senator from Iowa be permitted to offer his amendment as though it were in order, which would accomplish that purpose.

The PRESIDING OFFICER. The Senator from Iowa has a right to offer his amendment before the Senate agrees to the so-called Kerr amendment, which is before the Senate at this time.

Does the Senator from Iowa offer his amendment at this time?

Mr. MILLER. The Senator from Iowa merely wishes to make sure that when we vote, we will vote on the Kerr amendments in two blocs.

Mr. KERR. In three blocs.

Mr. MILLER. In three. I want to be sure that at that time, when we are considering the bloc which will include page 1, the Senator from Iowa may offer his amendment.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. If the Senator from Oklahoma renews his request for unanimous consent that the remainder of the amendments be agreed to en bloc except the two referred to by the Senator from South Dakota and the amendment beginning at line 5 on page 1, and that consent is granted, and if the amendments en bloc, excepting those three, are agreed to, the situation then before us will be the question of voting on those three amendments, and then each one of those amendments will be subject to amendment.

The PRESIDING OFFICER. The Senator from Oklahoma is correct.

Mr. KERR. I renew my request, excluding the amendment included on page 1, in lines 5 through the part of line 8 necessary to exclude the provision from

the amendments agreed to en bloc, suggested by the Senator from Iowa.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The question now is on agreeing, en bloc, to the Kerr amendments. Without objection, the Kerr amendments, en bloc, are agreed to.

The next question is on agreeing to the language of the Kerr amendment on page 3.

Mr. KERR. Mr. President, should not that be on page 1, since that is the first amendment of the group not agreed to?

The PRESIDING OFFICER. By unanimous consent, the question is on agreeing to the first amendment of the Senator from South Dakota, on which he desired a separate vote, the amendment being on page 2 of the Kerr amendment, beginning on line 22, and continuing through line 6 on page 3. The question is on agreeing to the amendment.

Mr. KERR. Mr. President, I understood the Senator from South Dakota desired to offer an amendment in the nature of a substitute.

Mr. CASE of South Dakota. Mr. President, I assume that the amendment in the nature of a substitute will be in order after all the perfecting amendments have been acted upon.

The PRESIDING OFFICER. The Senator from South Dakota is correct. After the amendment has been perfected, the substitute may then be offered.

Mr. KERR. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time for the quorum call not be charged to either side.

Mr. CASE of South Dakota. Mr. President, what was the question which the Chair put?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota, on which he asked for a separate vote, beginning on line 22 of page 2 and continuing through line 6 on page 3.

Mr. CASE of South Dakota. Mr. President, on that amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Oklahoma has suggested the absence of a quorum. The Senator from South Dakota may ask for the yeas and nays after the quorum is developed.

Is there objection to the request of the Senator from Oklahoma that the time for the quorum call not be charged to either side? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes on the amendment.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, this is a very simple issue. It is a choice between making \$600 million or \$750 million available for appropriation. The language in the bill as reported by the committee, beginning on page 10, line 22, contains these words:

For the purposes of this section there is hereby authorized to be appropriated the sum of \$600,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act.

This is the section of the bill which relates to immediate aid to areas of substantial unemployment. The amendment offered by the Senator from Oklahoma and his associates changes the figure "\$600,000,000" to "\$750,000,000" with a little additional language. But the meat of the whole amendment is to change from \$600,000,000 to \$750,000,000 the amount available for immediate appropriation.

When the President sent his messages, he sent really two requests, one which dealt with immediate aid, the other with standby authority. For immediate aid, he asked only \$600 million. An amendment to the bill was drawn in that form and presented in the name of the chairman of the committee, the Senator from New Mexico [Mr. CHAVEZ]. All that was asked for the immediate authority was \$600 million; consequently, I see no reason at all why the amount should now be changed from \$600 million to \$750 million. The amendment offered by the Senator from Oklahoma [Mr. KERR] and other Senators would change the amount from \$600 million to \$750 million.

I propose that the Senate vote "nay" on that amendment, so as to leave the amount at \$600 million, the figure requested by the President, and also the figure which was included in the Chavez amendment, following the President's message.

Mr. KEATING. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. KEATING. Is the \$600 million or the \$750 million—depending on the result of the vote—to be for the authorization of additional projects, projects not already authorized?

Mr. CASE of South Dakota. Yes, it could be for both. It could be spent on the acceleration of present projects, or it could be spent on new projects which the President might designate under the general provisions of the act.

Mr. KEATING. Is there not, in fact, a very large stockpile or shelf of projects which have been authorized but for which funds have never been appropriated?

Mr. CASE of South Dakota. There is a backlog of projects. There is also the possibility of accelerating work on existing projects. That is one of the proposals in the amendment in the nature of a substitute which I propose to offer a little later.

Mr. KEATING. Can the Senator from South Dakota inform us of the dollar value of authorized projects for which no appropriations have ever been made?

Mr. CASE of South Dakota. I cannot give that information, but there is about \$1,553 million worth of appropriations for unauthorized projects which might receive some augmentation.

Mr. KEATING. Have not many millions of dollars been authorized for various projects?

Mr. CASE of South Dakota. Yes. Not long ago the Appropriations Committee was informed that no funds have as yet been appropriated or spent for a flood-control project which was authorized in 1938.

Mr. KEATING. I thank the Senator from South Dakota.

Mr. CASE of South Dakota. So, Mr. President, the issue is simply whether we wish to increase the authorized appropriations—not the actual appropriations, for those handled in appropriation bills, which are the province of the Appropriations Committee—from \$600 million to \$750 million, which is more than the President requested and more than the original Chavez amendment called for.

Mr. KERR. Mr. President, the issue is not quite as simple as my good friend has indicated. I shall try to demonstrate that by what I shall say now.

The bill which the committee reported to the Senate contained two provisions. We are told that Old Gaul was divided into three parts. The bill reported to the Senate was divided into two parts. One was a \$600 million immediate authorization which would have covered 146 areas designated by the Secretary of Commerce as redevelopment areas under section 5(a); 778 areas, including 50 Indian reservation areas, designated by the Secretary of Commerce as redevelopment areas under section 5(b) of the same act; and 105 areas not now designated as redevelopment areas, but which have been designated by the Secretary of Labor as areas of substantial unemployment during each of the past 12 months.

The language of the bill with reference to the \$750 million has two additional provisions for areas available for this help. In the first place, it provides that at least 10 percent of the authorizations shall be expended in what are known as rural areas. It is quite true that the areas listed as being under section 5(b) of the Area Redevelopment Act can be rural areas; but there was nothing in the language of the bill with reference to the \$600 million that would have tied down a minimum of \$75 million for rural areas.

In addition, there are 27 other areas which have been areas of substantial unemployment in 9, 10, or 11 of the last 12 months; and these areas were added by the Senate committee's revision of the original Chavez amendment, which was the \$600 million provision.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I yield.

Mr. CASE of South Dakota. I recognize that what the Senator from Oklahoma has said as regards this limitation is true. I wonder whether, in the interest of making progress, the Senator would

use the language of his amendment, but would change the figure from \$750 million to \$600 million.

Mr. KERR. I could not do that.

Mr. CASE of South Dakota. And the reservation would apply to the \$600 million.

Mr. KERR. I understand; but at this stage I could not do that.

Another provision in connection with the \$600 million is "to remain available until expended."

The amounts proposed by me and other members of the Public Works Committee—I refer to the \$750 million initial direct authorization and the \$750 million to be triggered as a direct authorization upon the occurrence of certain events which have to do with increases in unemployment—are a compromise which was worked out, totaling \$1,500 million, in lieu of the \$2,600 million contained in the bill as reported by the committee to the Senate. In other words, the proposal is simply to have a \$600 million authorization available immediately and \$2 billion of standby authority, to be triggered upon the occurrence of certain conditions; and they constituted an overall program which met with the approval of a majority of the members of the committee.

The amendments—in reality they constitute a substitute—offered by me and other Senators have 2 parts, totaling \$1,500 million, with \$750 million to be available in the fiscal year 1963, and to continue until expended; and the other \$750 million is to be triggered as an authorization upon the happening of certain events, and it was figured out by its sponsors as being in lieu of—not the \$600 million of the so-called Chavez amendment—but in lieu of the \$600 million plus the \$2 billion of standby authority. The additional items covered by the \$750 million which were not definitely included in the \$600 million are as follows: The designation of a minimum of 10 percent—not a maximum—for rural areas; the 27 areas which have been designated as areas of substantial unemployment in 9, 10, or 11 of the past 12 months, and other areas, I may say, which have been so designated since the bill was reported; and the language in the authorization for the \$750 million to remain available until expended.

For those reasons, it seemed to me and to my colleagues who joined me in submitting this amendment that this would constitute moving a very long way toward effecting a compromise between the language of the bill as reported and the position taken by Senators who oppose it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GORE. As one who served for a long time on the Public Works Committee, though he does not now enjoy that privilege, the Senator from Tennessee wishes to congratulate the distinguished Senator from Oklahoma and other members of the Public Works Committee for bringing to the floor a progressive, realistic bill that is needed at this time to support our economy. It is the kind of program which will bring double benefit: First, the construction of per-

manent useful facilities which will add to the wealth and the convenience of our country and its people; second, it will place the majority of the money involved in the hands of those who will spend it. It contributes to the consumer stream of finances in the economy.

Mr. KERR. I thank the Senator.

I should like to say one thing more. If the distinguished Senator from South Dakota [Mr. CASE], were present, I would like to ask him a question. I believe the Senator from Kentucky [Mr. COOPER], who is present, is a joint sponsor of the Case substitute. As I understand, it would provide an authorization of \$500 million for the next fiscal year, plus an acceleration of 10 percent of Federal programs.

Does the Senator from Kentucky know the amount? I believe the acceleration is 10 percent a year for 2 years. Is that correct?

Mr. COOPER. It is.

Mr. KERR. Does the Senator know the figure to which the 10 percent would be applicable?

Mr. COOPER. The 10 percent would be applicable to the appropriations that were made in this fiscal year and the next fiscal year for Federal programs in which all the funds furnished were from the Federal Government. I believe the amount was estimated at \$250 million.

The Senator from South Dakota [Mr. CASE], is now present, and perhaps he can answer the question.

Mr. CASE of South Dakota. It would be \$153 million, exclusive of public health services and secondary urban highways. With that 10 percent off, the amount would be \$200 million.

Mr. KERR. A year?

Mr. CASE of South Dakota. A year.

Mr. KERR. I thought that was about the situation. It seems to the Senator from Oklahoma that the distinguished Senators from South Dakota and Kentucky are sponsoring a substitute which would be a direct authorization of \$500 million for fiscal year 1963, plus an acceleration of about \$200 million a year for 2 years with reference to existing authorizations.

Mr. CASE of South Dakota. Yes, on projects which have passed the test of feasibility, and which would be operated under the guidelines which have been established throughout the years with respect to building secondary and urban highways.

Mr. KERR. I did not think highways were included. If they were, I think more than \$200 million a year would be involved.

Mr. CASE of South Dakota. We do not include the primary or the interstate highways.

Mr. KERR. What highways are included?

Mr. CASE of South Dakota. I read from page 3 of the proposed substitute:

Any public building, including post offices, or roads or trails in, or to provide access to, national parks, national forests, Federal reservations, Indian reservations, or public recreation areas, or on the public domain.

Mr. KERR. Which does not include ABC or interstate system allocations.

Mr. CASE of South Dakota. No. The table, which I shall at the appropriate time have inserted in the RECORD, lists, among others, forest highways, \$34 million; public lands highways, \$4 million; parkways, roads, and trails, National Park Service, \$44 million; Bureau of Indian Affairs, \$19 million; Forest Service, \$47 million; Bureau of Land Management, \$8 million; Bonneville Power Administration, \$24 million; Southwest Power Administration, \$3 million.

There is a total of \$1,533 million. It would be 10 percent of that.

Mr. KERR. Each year for 2 years?

Mr. CASE of South Dakota. Each year for 2 years.

Mr. KERR. I call attention to that fact only to show that the amendment sponsored by the Senator from South Dakota and his colleagues would raise the money available for fiscal 1963 above \$600 million. I commend them for it, but I think, in reality, one of the principal factors here involved is the tabulation of the projects that will be eligible for assistance in this program. It is the thought of those sponsoring the \$750 million authorization that a great, broad need exists to justify that grant, and more, but our proposal is limited to that amount, but with the limitation that at least 10 percent of it shall be spent in rural areas.

In view of the fact that there is, in reality, such a limited difference insofar as the \$750 million is concerned and the amount in excess of \$800 million authorized to be expended by the proposed substitute, it would seem to me there would be no basis for the defeat of the amendment authorizing the \$750 million for the first fiscal year.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. Yes. I yield the floor.

Mr. CASE of South Dakota. Mr. President, I yield myself 3 minutes. While theoretically there could be a \$153 million augmentation of these authorized projects, actually there would not be that much, because the proposed substitute provides that the money would be made available only on declaration by the President of an emergency unemployment area. I do not suppose anyone, by any stretch of the imagination, could assume that where these programs were authorized would be designated as emergency unemployment areas.

I had thought that as a practical result, \$100 million might be made available. I thought that would be a proper limit, although theoretically it could be \$153 million.

I did not particularly want to get into a discussion of the substitute at this time, but I want to point out that there is a vast difference, in my humble judgment, between augmenting and accelerating a project which had been authorized under existing law, the feasibility of which had been passed upon by the Corps of Engineers, the National Park Service, or by some other agency of Government which had determined its need and which had established the routine and methods for expenditure of those funds, and initiation of new projects by an agency in the control of the White

House. That is why we have taken that approach in the first main section of the possible substitute bill. In addition, there is the fact that in the projects that have been so established, a fixed cost has been estimated.

If a \$5 million river and harbor project has been authorized, if the Army Engineers are given authority to spend up to 10 percent more in a given year in a distressed area, that would not necessarily increase the cost of the project. The project still would be a \$5 million project.

If \$50 million more were provided to accelerate accomplishment of a project, it would not mean any added burden or drain on the Treasury.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to have the attention of the Senator from Oklahoma [Mr. KERR].

Mr. KERR. I am listening.

Mr. COOPER. The \$750 million which would be approved would be immediately available.

Mr. KERR. Only upon appropriation.

Mr. COOPER. Of course, it would be subject to appropriation. Whatever was appropriated would be immediately available.

I think it is correct to say that we do not know what value the program will have as to relieving unemployment, or how effective it might be. I do not know how long Congress will be in session. Assuming that the session of Congress concludes September 1 or September 15—

Mr. CASE of South Dakota. I say to my colleague, "Do not go any further."

Mr. COOPER. Perhaps I have gone too far already. The Congress will reconvene in January. Six hundred million dollars would be available for expenditure in the 3, 3½, or 4 months involved. I do not see how more than that could be judiciously used in that time.

Also, there would be an opportunity to see how the program will work out. It is a test program. No one is certain what effect it may have as to relieving unemployment. It seems to me this is an argument for a smaller amount.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. I should like to have the Senator's response.

Mr. KERR. I shall be glad to give it, Mr. President, and on my own time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. KERR. If Senators will refer to the hearings conducted on the bill, they will see, beginning on pages 210 and running up to and through about half of page 231, a total of 21 pages listing areas which already have been designated as areas eligible under the Redevelopment Act, 5(a), or under the Redevelopment Act, 5(b), or as areas of continuous substantial unemployment. Areas of continuous substantial unemployment include those with substantial unemployment for each of the past 12 months, plus 27 other areas which have been found to be areas of substantial

unemployment in 9, 10, or 11 of the past 12 months.

I refer the Senator from Kentucky to the tabulation of the areas in his own State listed as 5(a) redevelopment areas. The following are outlined:

Corbin (including Clay, Knox, Laurel, and Whitley Counties).

Danville (including Boyle, Garrard, Lincoln, and Mercer Counties).

Elizabethtown (including Grayson, Harlan, Larue, and Meade Counties).

Hazard (including Breathitt, Letcher, and Perry Counties).

Hopkinsville (including Caldwell, Christian, Todd, and Trigg Counties).

Madisonville (including Hopkins, Muhlenberg, and Webster Counties).

Middlesboro-Harlan (including Bell, Harlan, and Leslie Counties).

Morehead-Grayson (including Carter, Elliott, Greenup, and Rowan Counties).

Paducah (including Ballard, Graves, McCracken, and Marshall Counties).

Paintsville-Prestonburg (including Floyd, Johnson, Knott, Magoffin, and Martin Counties).

Pikeville-Williamson (including Pike County, Ky., and Mingo County, W. Va.).

Richmond (including Estill, Jackson, Madison, and Rockcastle Counties).

In addition there are about 40 counties listed as being eligible under 5(b) of the Redevelopment Act.

Areas of continuous substantial unemployment listed are Louisville, a major area, and Owensboro, a smaller area.

Those are the areas available for assistance under the terms of the proposed act in the State of Kentucky.

In the hearings there are some 21 pages listing areas which are available under the provisions of the act.

The \$750 million is not an excessive amount, considering the task of apportioning \$750 million among more than 1,000 areas of this country which already have been declared to be eligible by reason of excessive unemployment or because of depressed conditions. Some of these areas, Mr. President, have unemployment ranging up to 40 percent. It is utterly impossible for me to understand why Senators would think \$750 million is an excessive amount with which to attack that wide, broad-spread problem which is manifested in more than 50 of the counties of the State of the distinguished Senator from Kentucky, as well as in other States.

It is manifested in every State of the Union. The hearings indicate there is not a State in the Union without some area of depressed economic conditions or excessive unemployment, which would be available for assistance under the \$750 million authorization.

Mr. COOPER and Mr. BUSH addressed the Chair.

Mr. KERR. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I must say that I am very conscious of the soft impeachment by my friend from Oklahoma and also his admonition.

Mr. KERR. The Senator asked me a question with respect to a justification of the \$750 million.

Mr. COOPER. The Senator is correct.

Mr. KERR. I only said that if I started out to find it, I would start with

the State from which the distinguished Senator comes.

Mr. COOPER. The Senator responded by pointing out the situation in my State, with which I am very familiar. For years I have tried to do something to relieve unemployment in my State and in other States like it.

Mr. KERR. I know that.

Mr. COOPER. And in other areas suffering from the same unemployment problem.

I do not think proof is needed, but I believe I was one of the Republicans who were cosponsors of the area redevelopment bill, which resulted in designation of the areas to which the Senator has referred. I have supported many other measures to provide aid to needy areas. I have always supported a public works bill to aid people who have been left behind, who through no fault of their own, cannot secure employment.

What we are talking about is the best kind of plan to aid these people, the most reasonable plan which will work to their advantage.

Why do I support the amount of \$600 million instead of the \$750 million the Senator proposes?

First, \$600 million is the amount which was proposed by the administration. The committee itself voted for the \$600 million. I did not support the bill, for other reasons, but evidently the administration considered that the \$600 million was sufficient.

Also the \$750 million, which the Senator proposes, could be spent or obligated between the time the bill is enacted, if it is enacted, and the beginning of 1963. At least, the money could be committed in 3 or 4 months. It is actually, therefore, a program at the rate of commitment of \$2 billion a year. This is not a small amount.

The chief reason I say we should keep the program at a lower cost is that a public works program is proposed for without experience and without knowledge as to how much help it will give. For this reason alone I think it would be better to authorize funds on the smaller scale of \$600 million, the scale which we first considered in the committee.

Mr. KERR. But we considered that in conjunction with the \$2 billion standby authority, as the Senator knows.

Mr. COOPER. Yes; but the standby authority would not give immediate help. It would not become available until July 1, 1963, and under conditions which might arise. We hope such a situation will never arise.

Also the \$750 million would not be directed wholly to the areas of greatest unemployment which have been listed. I think the Senator will agree that his amendment provides that the \$750 million may be used partly in areas of greatest unemployment, partly to accelerate existing programs, which are financed wholly by the Federal Government, and partly to accelerate and augment existing Federal-State aid programs.

It could cover vast areas and types of projects. It would not be wholly directed to the areas of greatest unemployment.

Mr. KERR. The bill contains a provision that the money is to be distributed on a formula to be set up, and it sets forth as items in the formula excessive unemployment and depressed conditions. The exception is that at least 10 percent of the fund shall go to rural areas of that kind or character.

Mr. COOPER. I am not worried about the difference between \$600 million and \$750 million.

Mr. KERR. I did not think the Senator was.

Mr. COOPER. It is not the question of greatest importance in his amendments.

Mr. KERR. It is not a question of great importance. For that reason I am surprised that the Senator did not embrace the figure of \$750 million when we acceded to his position that we would eliminate the \$2 billion standby authority for financing, as the Senator said, through the back door. I was astounded when the Senator did not agree with me.

Mr. COOPER. I must make a choice.

Mr. KERR. I appreciate the Senator's position.

Mr. BUSH. Mr. President, will the Senator yield to me?

Mr. KERR. I yield.

Mr. BUSH. I may have missed a discussion of the point of my question while I was absent from the Chamber for a few moments. We are talking about a bill which is labeled the Standby Public Works Act of 1962. On page 3 of the Senator's amendment the following appears:

APPROPRIATIONS AUTHORIZED

SEC. 10. (a) There is authorized to be appropriated for expenditure after June 30, 1963, to remain available until expended, the sum of \$750,000,000 to carry out the provisions, other than section 8, of this Act.

My question is as follows: If the bill is an emergency public works measure, why should that provision of the bill take effect more than a year away from now?

Mr. KERR. The amendment now under discussion is with reference to a \$750 million authorization that would take effect immediately. The language to which the Senator refers is not the question now being debated.

Mr. BUSH. Is it out of order to ask the question at this time?

Mr. KERR. Not at all. I should be glad to answer it.

Mr. BUSH. That is my question.

Mr. KERR. It was the judgment of the sponsors of the amendment that the \$750 million provision, which is now the question about to be voted upon, should be made available immediately.

Mr. BUSH. I understand.

Mr. KERR. Then another provision was added, which we call the standby provision. It would be an authorization that could be triggered only upon the happening of certain events, which are as follows: An increase in unemployment of 1 percent, I believe, in 9 months, provided that upon the increase, the total unemployment equaled 5 percent. In that event, there would be an additional \$750 million authorization triggered for the fiscal year beginning July 1, 1963. But we deal with the emergency which

is upon us by the immediate authorization of that \$750 million, which is the subject of the present debate.

Mr. BUSH. Mr. President, will the Senator yield to me for a moment?

Mr. KERR. I yield.

Mr. BUSH. In view of the fact that Congress will be in session during the first 6 months of next year, why is it necessary to authorize the expenditure of \$750 million in a standby bill to take effect not before July 1, 1963?

Mr. KERR. The question has to do with another part of the bill. I am happy to answer the question. In the past 10 years we have seen recessions come and go. Our authorizations for rivers and harbors comes up once each 2 years, as the Senator, who once served on the Public Works Committee, knows. Our authorizations for highways are on a 2-year basis, as the Senator knows. Therefore we felt that the authorization for the emergency public works program immediately, and a standby authority for an additional one after June 30, 1963, in the event that economic conditions should worsen, in accordance with certain specifications, was a question of appropriate consideration. We felt that it would be best that the authorization on a standby basis be placed in the bill so that in the event conditions began to manifest themselves that indicated a worsening which would trigger the second authorization. Knowledge of the provision would enable the President to get ready to implement the second authorization, and the Congress could get ready to implement it by appropriation processes.

Mr. BUSH. The Senator has been one of the able members of the committee for as long as I can remember. Would it not be more in keeping with the tradition and practice of the committee to lay the proposed authorization over until next year so that the Congress itself might appraise the situation in May or June of next year?

Mr. KERR. If that is the decision of the Senate, the Senator from Oklahoma will gladly accept it. However, it seems to the Senator from Oklahoma that the discussion of the Senator from Connecticut would be more appropriate when we reach the point of considering the amendment which would provide the standby authority to which he refers.

Mr. BUSH. I accept the Senator's suggestion on that point. I thank the Senator.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. KERR. How much time does the Senator desire?

Mr. RANDOLPH. Five minutes.

Mr. KERR. I yield 5 minutes to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I oppose the amendment of the Senator from South Dakota [Mr. CASE]. It is a less than adequate treatment of this national problem. I shall oppose other minority amendments which would scuttle this measure. I support the amendments offered by the effective and resourceful senior Senator from Oklahoma [Mr. KERR] for the majority membership of the Committee on Public

Works. I would personally prefer a greater emphasis on the immediate action program—a more dynamic one-shot acceleration of public works at this time. That was my view when this legislation was under consideration in our committee. And it was my judgment when I joined the senior Senator from Pennsylvania [Mr. CLARK] and the junior Senator from Rhode Island [Mr. PELL] in cosponsoring S. 986, a bill to assist in the reduction of unemployment through the acceleration of capital expenditure programs of State and local bodies. S. 986, which was to have had the short title, "Emergency Employment Acceleration Act of 1961," was introduced February 20, 1961, by Senator CLARK. I wish to commend him for his foresight, persistence, and pioneering in this vital field of legislative endeavor. I regret that we are so late in coming to grip with legislation which, in essence, is based on the principles of the bill he introduced for himself, Senator PELL, and the Senator who now speaks.

My preference would be legislation such as S. 986, but I recognize that in S. 2965, as it is proposed to be amended, we have a reasonable compromise. It embraces judgments of the administration and those of our colleagues who believe there should be both an immediate action program for acceleration of public works, and standby authority for the President to counter future broadening unemployment and economic recession under terms of a specific formula provided in the bill.

Mr. President, I have sympathy for the viewpoint of our courageous colleague from Alaska [Mr. GRUENING] as stated for the record when he sent to the desk an amendment to S. 2965 on May 17. The Senator's amendment, which I understand will not be offered, would raise the amounts authorized to be appropriated for emergency public works from the \$600 million figure in the committee version of the bill as reported to the same amounts authorized to be appropriated for foreign economic assistance under specific sections of the Foreign Assistance Act of 1961, or to approximately \$2.6 billion.

The Senator from Alaska [Mr. GRUENING] also referred to the need for a one-shot program of emergency public works to help our own unemployed. His proposal "moves up the \$2 billion originally intended to be authorized for a program of standby public works to the emergency program and says in effect that the emergency intended to be met by the standby phase of the legislation is upon us now." I concur in the opinion that this is true because of the unprecedented number of pockets of persistent and chronic unemployment and the prevalence of too many underdeveloped areas.

The proposition by our colleague from Alaska would have called for an inordinate impact on the budget at this time. We must give sufficient recognition to the fact that there are other programs and revenue act improvements which presumably will be at work to help stimulate the economy and attack the problems of chronic unemployment and underemployment.

On balance I consider the amendments offered for the majority members of the Public Works Committee to S. 2965 to be refinements and safeguards of the measure. They will remove major objections to the methods originally provided for financing the standby phase of the bill and will increase the authorization for the immediate action provisions.

I urge a more substantial increase in the immediate acceleration authorization if the budget could sustain a heavier impact. I do not favor 100 percent Federal grants. There should be some State or local sharing of the costs. But I am not convinced that States and localities intended to be assisted by this legislation possess a sufficient degree of fiscal competence to obligate large sums necessary to share substantially in the cost of approved projects.

In this connection, Mr. President, I commend my colleagues of the Public Works Committee for having recommended an amendment to the original version of S. 2965 which would insert a new section 8. It is my belief that subsections (b) and (c) of this proposed section go to the very heart of the problem this legislation is intended to help solve. It is also my judgment that without these two subsections the measure would be ineffective in the areas in need of the economic uplift, the capital improvements, and the new job opportunities which are the foundation purposes of the bill.

I strongly urge retention of the language of section 8 in any bill on this subject passed by this Congress, especially the following:

(b) * * * In prescribing such rules, regulations, and procedures, the President shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

(c) * * * In the case of those projects or programs which qualify under standards established by the President applying uniformly in all similar areas, if the President determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to sections 5 and 6 for a project or program in such area may be made without regard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield 5 additional minutes to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, in West Virginia, upward to 51 of our 55 counties qualify as redevelopment areas. The very fact that such a substantial number of our counties qualify is an indication of the economic debilitation suffered statewide, as well as in the affected counties or areas of counties.

Perhaps there are few States in which the degree and extent of need for redevelopment are as prevalent as in West Virginia. I recognize, however, that there are areas in a number of States where the severity of problems is as acute as in our State. Such areas are discouraged from participation in any program established on a 50-50 matching basis—some even under a ratio with a higher percentage of Federal contribution—because of the low levels of their finances. They have been economically distressed too long and have been able to retain but little financial competency. They have not enjoyed the happy circumstance of participating in economic recovery from prior recessions. They are the areas of our country which need the stimulus of public works acceleration, and it must not be denied them.

I believe especially in the validity of subsection (c) of section 8 of the bill as reported by the Committee on Public Works. It provides for flexibility in project cost sharing based on the fiscal status of the sponsoring State or local body. Its status as a vital element of the legislation cannot be over-emphasized.

Mr. President, and my colleagues, there is an understandable restlessness in our country concerning the persistence of a high rate of unemployment—and it is essential that there should be a very real concern about this condition.

Among the labor organizations especially there is the feeling that, unless there is a more rapid rate of economic growth and an accompanying increase of job opportunities, there should be an across-the-board shortening of the workweek.

Under the severe depression conditions which prevailed in the early 1930's, I supported a decrease in the number of hours of work as a means of spreading available job opportunities to a greater number of individuals. But I would deplore resort to the shorter workweek as an expedient at this time. Conditions do not warrant such a radical procedure as that of earning more for producing less. Progress and national growth will depend on earning more for producing more.

Nevertheless, if industry and commerce do not expand rapidly enough and if Government does not take those actions necessary to both stimulate the economy and help industrial expansion—in other words, if more job opportunities are not provided, and soon, such an event as the shortened workweek will be an inevitable and controversial consequence. Perhaps it would be one which would induce considerable chaos in the economic life of the Nation. I hope such a situation can be avoided.

Advancement of automation at a pace which appears to have exceeded expectations obviously has been a contributing factor to the high percentage of joblessness.

Mr. President, I have listened to the spirited exchange between Senator KERR and Senator BUSH. I remind the Senator from Connecticut that the peak of each boom thus far reached since 1953 has

found us with more unemployment than the peak of the immediate preceding boom, and the trough of each recession has found us with more joblessness among our citizens than the trough of the immediate previous recession.

But I am sufficiently optimistic to believe that science and technology will reach a plateau on which there will come about an adequate average annual growth rate which will bring productivity and job opportunities into a favorable balance. We cannot and we must not merely drift along hopefully awaiting such a development.

We have already too long delayed the fashioning and the implementation of a well-rounded program for economic stimulation and manpower utilization. A start has been made. We fitted into the structure of such a program an integral part when the Manpower Development and Training Act was passed and signed by the President. The same is true with respect to the Area Redevelopment Act.

Then, too, the administration's promised modernization of the depreciation rate structure as an important element in the computation of business taxes will be helpful. I am hopeful this Congress will pass a Revenue Act and a Trade Expansion Act which will improve the investment, industrial, and commercial outlook from the long-range standpoint. And perhaps there will be other actions—both legislative and administrative—which will help stimulate the rate of recovery and economic growth.

Meanwhile, however, ours is the obligation to advance other positive actions. Human necessities are involved. There is an urgent economic requirement to place in gainful employment more of our citizens who reside in areas of labor surplus markets and in underdeveloped areas. And it is in the public interest that there be an acceleration of public capital improvements.

The "immediate action" phase of S. 2965 is a sound and time-honored approach because the program of accelerating public works will provide work directly on projects and indirectly in industries and services associated with the projects. The standby provisions of the measure are safeguards for the future.

Mr. President, I solicit agreement on the amendments offered by the majority members of the Committee on Public Works and I urge passage of this vital legislation. By itself it will not be a panacea, but it will be more than a palliative because it will provide employment and lasting capital improvements. It will be an affirmative approach—another in the series of solutions which must be provided for our complex problems.

It is my hope, Mr. President, that the weakening amendment, and other negative approaches, will be defeated.

Mr. CASE of South Dakota. I yield myself 2 minutes on the bill to ask the distinguished Senator from Oklahoma a question. Is there anything in the bill which would prevent the President from spending at least 10 percent of the funds available in rural redevelopment areas?

Mr. KERR. No; there is not; nor is there anything in the bill which would require it to be done.

Mr. CASE of South Dakota. Does the Senator have any fear that if 10 percent were used it would be regarded as a directive or as an indication to the administration that when 10 percent had been used that that would take care of the rural redevelopment areas?

Mr. KERR. I do not so regard it. I am glad the Senator has asked the question, so the legislative record on the matter will be abundantly clear. The provision in the amendment is that not less than 10 percent of it be so spent. Certainly that could not be interpreted as being the maximum, but, rather, the minimum.

Mr. CASE of South Dakota. There is nothing in the bill to prevent the President from spending \$100 million if that is what he thought was warranted by the circumstances?

Mr. KERR. That is correct.

Mr. CASE of South Dakota. I thank the Senator.

I yield 2 minutes to the Senator from Vermont.

Mr. PROUTY. I should like to have the indulgence of my distinguished friend the Senator from Oklahoma, to ask him a question or two. Is it possible that all of the money authorized under the bill and subsequently appropriated could be used under the provisions of section 6? In other words, could it be combined with section 6 if the President so desired?

Mr. KERR. I do not think it is possible either practically or technically. If the Senator will turn to page 13 of the bill, it is very clearly indicated there that the "funds provided for projects and programs pursuant to sections 4, 5, 6, and 7 of this act shall be made available," and so forth.

Other places in the bill provide that not less than 10 percent shall be spent in rural areas.

I am not sure that under section 6 that would be possible. I am prepared to say it would not be, but I do not think it would be. Certainly there is not the slightest apprehension on the part of the Senator from Oklahoma that there would be any effort to spend it all under section 6, or the possibility of that occurring. If he did, he would join the Senator from Vermont in specifying that such shall not be the case.

Mr. PROUTY. It is most important, because I believe there is nothing in the bill or in the language anywhere which would prevent that happening. I should like to point out that section 6 relates to projects and programs that are not eligible for grants under acts of Congress. In other words, these are completely unauthorized programs.

Mr. KERR. The bill will be open to amendment by the Senator from Vermont. If he feels that an amendment requiring proportional spending under sections 4, 5, 6, and 7 of the bill would be necessary, I will be glad to work with him on the formulation of an amendment to that effect, if he is seriously concerned about it.

Mr. PROUTY. I am very seriously concerned. I may have an amendment

later to strike the whole section. However, I wish to reserve judgment on that for the time being.

Mr. KERR. I do not contemplate the possibility of the fear the Senator has indicated being justified. However, if he feels very seriously about it, I would be glad to discuss with him an amendment which would entirely relieve him of that fear.

Mr. PROUTY. I appreciate the Senator's statement and courtesy.

Mr. CASE of South Dakota. I am ready to have a vote on the pending amendment. I yield back the remainder of my time.

Mr. KERR. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR] on behalf of himself and other Senators, beginning on line 23, page 10 of the bill.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Missouri [Mr. SYMINGTON], the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the

Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The result was announced—yeas 43, nays 32, as follows:

[No. 69 Leg.]

YEAS—43

Anderson	Jackson	Morse
Bible	Johnston	Moss
Burdick	Jordan	Muskie
Byrd, W. Va.	Kefauver	Pastore
Cannon	Kerr	Pell
Clark	Lausche	Randolph
Dodd	Long, Hawaii	Russell
Douglas	Long, La.	Smathers
Engle	Mansfield	Smith, Mass.
Gore	McCarthy	Wiley
Hart	McClellan	Williams, N.J.
Hartke	McGee	Yarborough
Hayden	McNamara	Young, Ohio
Holland	Metcalf	
Humphrey	Monroney	

NAYS—32

Aiken	Dirksen	Pearson
Beall	Dworshak	Prouty
Bennett	Fong	Proxmire
Boggs	Hickenlooper	Robertson
Bush	Hruska	Scott
Byrd, Va.	Javits	Smith, Maine
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Miller	Tower
Cooper	Morton	Williams, Del.
Cotton	Mundt	Young, N. Dak.
Curtis	Murphy	

NOT VOTING—25

Allott	Ellender	Magnuson
Bartlett	Ervin	Neuberger
Butler	Fulbright	Saltonstall
Capehart	Goldwater	Sparkman
Carlson	Gruening	Stennis
Carroll	Hickey	Symington
Chavez	Hill	Talmadge
Church	Kuchel	
Eastland	Long, Mo.	

So Mr. KERR's amendment was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. CLARK. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I ask unanimous consent that the debate on the next amendment be limited to 5 minutes to a side. It is the other amendment on which the Senator from South Dakota requested a separate vote; it is the amendment which calls for the authorization to begin after June 30, 1963.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I merely wish to make clear that if we agree to this request, we can have another yea-and-nay vote in 10 minutes. In my opinion, the issue is perfectly clear; the proposal to be voted on next is an authorization for a second \$750 million to be available for expenditure after June 30, 1963. So the coming vote will be on the question of whether we shall include in the bill another \$750 million of authorization.

I have no objection to limiting debate in the way requested.

Mr. JAVITS. Mr. President, there seems to be some question as to whether

the \$2 billion of standby authority is still in the bill or has been taken out.

Mr. CASE of South Dakota. It has been taken out.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The next amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert the language of the Kerr amendment on page 3, beginning in line 14, and extending down to and including line 23.

Mr. CASE of South Dakota. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I yield 5 minutes on the bill to the Senator from Virginia [Mr. ROBERTSON].

The PRESIDING OFFICER. The Senator from Virginia is recognized for 5 minutes on the bill.

Mr. ROBERTSON. Mr. President, I wish to call attention to the fact that we now have under construction civil work projects which will cost \$9 billion to complete, and we have authorized additional projects—on which we have not started—which will cost \$12,800 million more to complete. So we are voting funds which are going to be spent if those who favor deficit spending have their way.

Our economy is now at record levels in many respects. The gross national product in the first quarter of this year reached a seasonally adjusted annual rate of \$548 billion, an alltime high. Personal income in April, at a seasonally adjusted annual rate of \$439 billion, was also at a record high. Civilian employment was above the level a year earlier, and unemployment remained at the lowest level in over a year.

Even so, in the current fiscal year we are faced with a budget deficit conservatively estimated to be between \$7 billion and \$8 billion. In the foreign field, our balance of payments has continued to show further deficits, reflected in part by a continuing drain upon our gold supply. On May 22, the latest date available, our gold supply was \$969 million lower than it was a year earlier. Potential claims against it have risen further.

If current trends continue, another substantial budget deficit may be in prospect in the next fiscal year. Already this year, the temporary ceiling on the public debt has been raised \$2 billion more, to a limit of \$300 billion. That is \$22 billion higher than the ceiling in effect only 5 years ago. Yet the administration has urged enactment of an even higher debt ceiling of \$308 billion in the next fiscal year.

These adverse trends in both our domestic and our international financial position can ill afford to be augmented by additional spending programs. Already the Government has built up hundreds of billions of dollars in authorizations and commitments to make future expenditures, if needed, in addition to outlays necessary to carry the \$300 bil-

lion public debt. Our long-range Federal commitments for insurance and guarantees, for undisbursed commitments to make future loans, for accrued military pensions and commitments to veterans for future pensions and compensation, for such recurring obligations as Federal participation in employee retirement systems, and unused authorizations to expend from public debt receipts—all these items, if totaled together, far exceed the \$300 billion liability on our public debt.

In order to continue to lead the free world, we must first set an example at home of fiscal responsibility. This means we must strive to contain our outlays within the limits of our resources. Only by building and maintaining a sound domestic economy can we show the way toward a sound international economy.

I hope very much, if we are to continue to lead the free world, financially and otherwise, we will not keep adding to our deficit.

I urge that the amendment be rejected.

Mr. CASE of South Dakota. I yield half a minute to the Senator from Iowa [Mr. MILLER].

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Iowa.

Mr. MILLER. Mr. President, I thoroughly agree with what the junior Senator from Virginia has said. We would be legislating today an expenditure of three-quarters of a billion dollars, not to start before July 1, 1963. Why should we not wait until the next session of Congress, and take a look at the situation then, instead of tying the hands of Congress now, more than a year before these moneys can start to be spent?

Mr. KERR. Mr. President, I yield myself 2 minutes.

I call attention to the fact that this authorization is not triggered unless economic conditions worsen, unless unemployment becomes worse than it is now, unless it actually exceeds 5 percent. This authorization will not be triggered unless those things happen.

The Senator from Iowa has said the expenditure of the moneys will not start before July 1, 1963. That is correct. It will not start then unless economic conditions and unemployment are worse than they are now by an appreciable degree.

The Senator from Virginia said we should not pass this bill because stockholders have lost confidence and have sold their stocks. I wonder what they received for their stocks. It looks like they have lost confidence in their stocks and have offered them for dollars, in which they have more confidence.

The Senator from Virginia said that our gold reserve has been reduced. That is true. I went to the Senator 3 years ago and pointed out that fact to him. The Senator from Virginia said there was no difficulty. He made a speech on the floor in which he said there was no difficulty. Our situation with regard to diminishing gold stocks is identical with what it was then, except the rate of diminishment is lower now than it was at that time.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. I yield myself 1 more minute.

The distinguished Senator from Iowa has said we should not be doing this because we would tie the hands of Congress. It cannot be so, because even if we made the authorization, the expenditures would be triggered only if there were worsened economic conditions. The bill would be binding only if Congress appropriated the money. So passage of the bill would not tie the hands of Congress in any way, but would certify that, if economic conditions worsened, if poverty became more widespread, Congress had authorized the President to act immediately, and that Congress had made such an authorization now, while it was contemplating the program for 1963 and 1964.

Mr. CASE of South Dakota. Mr. President, I yield myself 2 minutes.

By the last vote, which was 43 to 32, the Senate has already passed an authorization in the bill to appropriate \$750 million, to be immediately available and to remain available until expended.

The President, in his message for immediate authority, asked only for \$600 million; \$600 million was asked for in the original Chavez amendment. The Senate has approved \$750 million to be appropriated for immediate availability and to remain available until expended.

Why should we now, with the knowledge that Congress will be back here in January, provide another \$750 million that will not be available until after June 30, 1963? Congress should take another look at the matter in January, and if a further authorization is made at that time, consider the matter then.

A "yea" vote adds \$750 million to this bill. It doubles the size of the authorization. A "nay" vote reserves judgment whether or not the \$750 million authorization will be needed until we know more about conditions and until we know how the first \$750 million had been employed.

It seems to me, in good sense, the Senate should reserve for itself a decision until next January, both on the ground of what might be needed and the manner in which the \$750 million might be used.

I urge a "nay" vote.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield me 1 minute?

Mr. KERR. I yield 1 minute to the Senator from Pennsylvania.

Mr. CLARK. I hope every Senator who voted on the last amendment will vote the same way on this amendment, if he voted "yea," and I hope Senators who voted "nay" will see the error of their ways and vote "yea" on this amendment.

The amendment is proposed so Congress can act when it is necessary to act. I have not been a Member of this body very long, but I have been here long enough to recall three occasions when Congress did not take action when it should have taken it, and when it finally did take action it was too little and too late.

The Senator from Oklahoma has pointed out that what is provided for is standby authority, and will not be triggered unless conditions necessitate it and Congress appropriates the funds. Let us get ourselves ready so that we can act when there is a need to act, by giving the President this authority now.

Mr. CASE of South Dakota. Mr. President, I yield one-half minute to the Senator from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. President, I wish to ask either the distinguished Senator from South Dakota or the distinguished Senator from Oklahoma a question. If the President does use the three-quarters of a billion dollars, if events transpire so he can use those funds, is his use to be confined to projects which have been authorized by Congress, or can he use the funds for unauthorized projects where desired?

Mr. CASE of South Dakota. The answer to that question is to be found in section 6, which is headed "Grants for Public Works Projects Not Eligible Under Existing Programs."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. I yield myself 1 minute.

The restriction is placed only on section 8. Under section 6 funds would be eligible for grants for public works not eligible under existing programs.

Mr. KERR. My answer is, in the first place, that the program cannot be implemented unless conditions worsen, as specified, and Congress appropriates the money.

With reference to projects not authorized, the Senator from Vermont is going to offer an amendment that not more than 30 percent of the authorizations and appropriations under the bill shall be available for section 6, which relates to projects not authorized. The Senator from Oklahoma has agreed to join in that amendment. That will be a later amendment before the Senate.

Mr. CASE of South Dakota. Mr. President, I am willing to yield back my time.

Mr. KERR. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. A "yea" vote would be a vote to insert in the bill an amendment adding an additional \$750 million. A "nay" vote would be against the insertion of the authorization for a second \$750 million. Is that correct?

The PRESIDING OFFICER. A "yea" vote would be to insert the section on page 3.

Mr. CASE of South Dakota. Which carries another \$750 million.

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment of the Senator from Oklahoma on page 3, lines 14 through 23.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Missouri [Mr. LONG]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

Mr. McCLELLAN (when his name was called). On this vote I have a pair with the distinguished senior Senator from Washington [Mr. MAGNUSON]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Oregon [Mr. NEUBERGER], the Senator from Missouri [Mr. SYMINGTON], the Senator from Colorado [Mr. CARROLL], and the Senator from Alaska [Mr. GRUENING] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The result was announced—yeas 37, nays 36, as follows:

[No. 70 Leg.]

YEAS—37

Anderson	Douglas	Humphrey
Bible	Engle	Jackson
Burdick	Gore	Johnston
Byrd, W. Va.	Hart	Jordan
Clark	Hartke	Kefauver
Dodd	Hayden	Kerr

Long, Hawaii
Long, La.
Mansfield
McCarthy
McGee
McNamara
Metcalf

Monroney
Morse
Moss
Muskie
Pastore
Pell
Randolph

Russell
Smathers
Smith, Mass.
Williams, N.J.
Young, Ohio

NAYS—36

Alken
Beall
Bennett
Boggs
Bush
Byrd, Va.
Case, N.J.
Case, S. Dak.
Cooper
Cotton
Curtis
Dirksen

Dworshak
Fong
Hickenlooper
Holland
Hruska
Javits
Keating
Lausche
Miller
Morton
Mundt
Murphy

Pearson
Prouty
Proxmire
Robertson
Scott
Smith, Maine
Thurmond
Tower
Wiley
Williams, Del.
Yarborough
Young, N. Dak.

NOT VOTING—27

Allott
Bartlett
Butler
Cannon
Capehart
Carlson
Carroll
Chavez
Church

Eastland
Ellender
Ervin
Fulbright
Goldwater
Gruening
Hickey
Hill
Kuchel

Long, Mo.
Magnuson
McClellan
Neuberger
Saltonstall
Sparkman
Stennis
Symington
Talmadge

So Mr. KERR's amendment was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. CLARK. Mr. President, I move to lay that motion on the table.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania to table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CANNON (when his name was called). On this vote I have a pair with the senior Senator from Missouri [Mr. SYMINGTON]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. McCLELLAN (when his name was called). I have a pair on this vote with the senior Senator from Washington [Mr. MAGNUSON]. If he were present and voting, he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The result was announced—yeas 38, nays 35, as follows:

[No. 71 Leg.]

YEAS—38

Anderson	Jackson	Morse
Bible	Johnston	Moss
Burdick	Jordan	Muskie
Byrd, W. Va.	Kefauver	Neuberger
Clark	Kerr	Pastore
Dodd	Long, Hawaii	Pell
Douglas	Long, La.	Randolph
Engle	Mansfield	Russell
Gore	McCarthy	Smathers
Hart	McGee	Smith, Mass.
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Young, Ohio
Humphrey	Monroney	

NAYS—35

Alken	Dworshak	Pearson
Beall	Fong	Prouty
Bennett	Hickenlooper	Proxmire
Boggs	Holland	Robertson
Bush	Hruska	Scott
Byrd, Va.	Javits	Smith, Maine
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Lausche	Tower
Cooper	Miller	Wiley
Cotton	Morton	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Dirksen	Murphy	

NOT VOTING—27

Allott	Eastland	Long, Mo.
Bartlett	Ellender	Magnuson
Butler	Ervin	McClellan
Cannon	Fulbright	Saltonstall
Capehart	Goldwater	Sparkman
Carlson	Gruening	Stennis
Carroll	Hickey	Symington
Chavez	Hill	Talmadge
Church	Kuchel	Yarborough

So the motion to table the motion to reconsider was agreed to.

Mr. CASE of South Dakota. Mr. President, I offer my amendment in the nature of a substitute.

The PRESIDING OFFICER. Under the agreement, the Senate will now consider the amendment of the Senator from Iowa [Mr. MILLER].

Mr. KERR. Mr. President, I ask unanimous consent that the debate on the Miller amendment be limited to 5 minutes to a side.

Mr. MILLER. Mr. President, with that understanding, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 1, line 6, of the Kerr amendment it is proposed to strike out "5" and insert in lieu thereof "6."

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oklahoma?

Mr. MILLER. Mr. President, reserving the right to object, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. MILLER. Mr. President, if the yeas and nays are not ordered on my amendment, I shall have to object to the unanimous-consent request of the Senator from Oklahoma.

Mr. KERR. Mr. President, I ask unanimous consent that on the Miller amendment the debate be limited to 10 minutes on each side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

Mr. MILLER. Mr. President, I still must ask for the yeas and nays on my amendment; otherwise, I shall have to object. I ask for the yeas and nays.

Mr. KERR. Mr. President, if the yeas and nays are ordered, will the Senator from Iowa agree to a limitation of debate of 5 minutes on a side?

Mr. MILLER. I will agree to 5 minutes on a side.

Mr. President, I again ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

How much time does the Senator from Iowa yield himself?

Mr. MILLER. I yield myself 3 minutes. I should like to have the attention of the Senator from Oklahoma.

On line 6, page 1, of the Kerr amendment, where reference is made to the total number of unemployed, is it the intention of the author of the amendment to have that mean the number of unemployed adjusted for seasonal variations?

Mr. KERR. The amendment specifically so provides.

Mr. MILLER. I thank the Senator from Oklahoma.

My amendment merely provides that there must be at least a 6-percent, rather than a 5-percent, unemployment rate at the time of the triggering of the \$750 million of additional expenditure which the Senate has just voted might go into effect beginning July 1, 1963.

With all deference to the Senator from Oklahoma, I must point out that the second \$750 million authorization could go into effect not when conditions are worse than they are now, but when conditions are better than they are now, because the latest figure on unemployment shows that there is today an unemployment rate of 5½ percent. This figure is based upon Economic Indicators, published by the Joint Economic Committee on May 1, 1962.

A situation could arise in which unemployment would fall to 4 percent,

which is the interim target of the White House. Then if unemployment rises 1 percent, to 5 percent, which is one-half of 1 percent less than it is now, another \$750 million of public works could be triggered and would be beyond the recall of Congress. It seems to me to be most unwise, since we are legislating more than 1 year before this program can possibly become effective, for Congress to establish a standard like that. I believe that a standard of 6 percent before the program could be triggered is fair and reasonable. That is why I have asked for yea-and-nay vote on my amendment.

Mr. KERR. Mr. President, I yield myself 2 minutes. I call attention to the fact that the rate of unemployment not only must be at least 5 percent, but that it must have increased 1 percent within the last 9 months. So the authorization would not be triggered merely because unemployment was at the 5-percent level. It would be triggered only in the event that unemployment had been reduced to 4 percent, and then was again on the increase and had gone up within 9 months to 5 percent. So the purpose of the standby authorization would be to halt unemployment at the 5-percent level, rather than to permit it again to go above that figure.

The Senator from Iowa offers to substitute 6 percent for 5 percent. That might seem to be a reasonable amendment, unless it is reduced to terms of human beings. The difference between 5 percent and 6 percent is almost 700,000 unemployed persons. So the Senator is willing to trigger the program in the event there are 6 percent of 66 million, let us say, but is not willing to trigger it if the number of unemployed has gone up from 4 percent to 5 percent.

I do not believe that that kind of price or penalty should be put upon that additional number of persons in order to trigger the modest authorization of \$750 million, which the Senate has just approved.

Mr. President, I yield back the remainder of my time.

Mr. MILLER. Mr. President, I yield back the rest of my time.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Do I correctly understand that a vote "yea" will be a vote in favor of the amendment offered by the Senator from Iowa?

The PRESIDING OFFICER. The Senator from Oklahoma is correct. The question is on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON],

the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Missouri [Mr. SYMINGTON], the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Kansas [Mr. CARLSON] and the Senator from California [Mr. KUCHEL] would each vote "nay."

The result was announced—yeas 21, nays 56, as follows:

[No. 72 Leg.]

YEAS—21

Beall	Dworshak	Mundt
Bennett	Goldwater	Robertson
Bush	Hickenlooper	Russell
Byrd, Va.	Hruska	Thurmond
Case, S. Dak.	Lausche	Tower
Curtis	McClellan	Wiley
Dirksen	Miller	Williams, Del.

NAYS—56

Aiken	Holland	Moss
Anderson	Humphrey	Murphy
Bible	Jackson	Muskie
Boggs	Javits	Neuberger
Burdick	Johnston	Pastore
Byrd, W. Va.	Jordan	Pearson
Cannon	Keating	Pell
Case, N. J.	Kefauver	Prouty
Clark	Kerr	Proxmire
Cooper	Long, Hawaii	Randolph
Cotton	Long, La.	Scott
Dodd	Mansfield	Smathers
Douglas	McCarthy	Smith, Mass.
Engle	McGee	Smith, Maine
Fong	McNamara	Williams, N. J.
Gore	Metcalf	Yarborough
Hart	Monroney	Young, N. Dak.
Hartke	Morse	Young, Ohio
Hayden	Morton	

NOT VOTING—23

Allott	Eastland	Long, Mo.
Bartlett	Ellender	Magnuson
Butler	Ervin	Saltonstall
Capehart	Fulbright	Sparkman
Carlson	Gruening	Stennis
Carroll	Hickey	Symington
Chavez	Hill	Talmadge
Church	Kuchel	

So the amendment to the amendment was rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendment to the amendment was rejected be reconsidered.

Mr. RANDOLPH. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the part of the so-called Kerr amendment on page 1, lines 3 through 8 proposed to be inserted in the bill on page 4, following line 20.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, I have an amendment in the nature of a substitute which I desire to call up at this time. It is printed and is at the desk.

I point out, however, that on page 5, I have adopted two suggestions which have been made by others. The Senator from Missouri [Mr. LONG] wanted to include, in addition, prisons, training schools, and youth correctional facilities, in the classification of public buildings which might benefit.

It has also been suggested that, so far as hospitals and health facilities are concerned, they be public or nonprofit.

I have incorporated both of those suggestions in the copy of the amendment which I have sent to the desk. Otherwise, the amendment is as printed.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment in the nature of a substitute, proposed by Mr. CASE of South Dakota (for himself, Mr. COOPER, Mr. PROUTY, Mr. FONG, and Mr. BOGGS) was:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Emergency Employment Public Works Act of 1962'.

"FINDINGS AND PURPOSE

"SEC. 2. The Congress finds that substantial unemployment and underemployment for prolonged periods of time adversely affect the revenues of the Government and the general welfare. The purpose of this Act is to stimulate the economy at such times and in such areas by providing for the acceleration of authorized Federal programs and the authorization of participation in certain small public works projects.

"DECLARATION OF AREAS OF SEVERE ECONOMIC DISTRESS

"SEC. 3. When the President finds that substantial unemployment in any county of the Nation (including the Commonwealth of Puerto Rico and the possessions) is causing unusual and severe economic distress, he may designate the county as an emergency unemployment area for the purpose of this Act. Upon such designation the authority granted in sections 4 and 5 of this Act may be exercised within such county to carry out the purpose of this Act until the President by declaration or Congress by concurrent resolution removes such designation from such county or two years expire, whichever soonest occurs.

"ACCELERATION OF CONSTRUCTION BY FEDERAL DEPARTMENTS AND AGENCIES

"SEC. 4 (a) The head of any department or independent agency of the Government which receives any appropriations for the fiscal year beginning July 1, 1962, or July 1, 1963, for the construction (including reconstruction and additions) by such department or agency of—

"(1) any works of a public nature for improvement of rivers and harbors and other waterways, for navigation, flood control, irrigation, reclamation, development of hydro-

electric power, or improvement of watersheds, or

"(2) any public buildings, including post offices, or roads or trails in, or to provide access to, national parks, national forests, Federal reservations, Indian reservations, or public recreation areas, or on the public domain,

may obligate an amount equal to 10 per centum of the total such appropriations to such department or agency for each such year for the construction (including reconstruction and additions) in areas designated by the President under section 3 of this Act of any such works, buildings, roads, or trails which is authorized by law and which will promote the purpose of this Act. Amounts authorized to be obligated under the provisions of this section shall remain available for obligation without fiscal year limitation and shall be in addition to fiscal year appropriations to such department or agency.

"(b) Not more than 20 per centum of the total cost of any construction project may be paid for under the authorization in this section.

"ASSISTANCE TO CERTAIN SMALL PUBLIC WORKS PROJECTS

"SEC. 5. (a) The head of any department or independent agency of the Government which is authorized by law to make grants or loans to assist in financing any small public works project (as defined in subsection (d) of this section) may make such grants or loans, to the extent of funds appropriated to such department or agency under subsection (c), for the initiation or acceleration of any such small public works project which will promote the purpose of this Act in areas designated by the President under section 3 of this Act. Grants and loans made under the authority of this section shall be in accordance with the terms and conditions of other laws with respect to such grants or loans, except that (1) any requirements in other laws with respect to the apportionment of funds, the time in which grants or loans may be made, or the aggregate dollar amounts of any grant or loan for any particular project or part thereof, shall not apply, and (2) if it is determined in accordance with regulations to be established by the President that the area does not have the economic and financial capacity to assume all of the additional financial obligations required, the provisions in other laws limiting the amount of such grant to a portion of the cost of the project shall not apply but the recipient of the grant shall be required to bear such portion of such cost as it is able to and at least 10 per centum thereof.

"(b) Not more than \$500,000 may be obligated for grants and loans under the provisions of this section for each small public works project.

"(c) There is authorized to be appropriated to carry out the provisions of this section \$250,000,000 for grants and \$250,000,000 for loans.

"(d) For the purpose of this section the term 'small public works project' means the construction, repair, or improvement of public roads on the Federal-aid secondary system (including extensions into urban areas), public streets, sidewalks incident to street or highway construction, roadside areas, parkways, access roads to recreational areas, bridges, and airports; public parks, public school and other public recreational facilities; public or nonprofit hospitals, public rehabilitation and health centers, and other public or nonprofit health facilities; public refuse, garbage, water, sewage, and sanitary facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, prisons, training schools, youth correctional facilities, laboratories, and other public buildings; and public land, water, timber, fish and wildlife, and other

conservation facilities and measures, including small watershed projects.

"REGULATIONS"

"SEC. 6. Within the provisions hereof the President is authorized to establish such regulations as may be necessary to carry out the purpose of this Act.

"APPROPRIATIONS AUTHORIZED TO LIQUIDATE OBLIGATIONS"

"SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"Amend the title so as to read: 'A bill to provide authority to accelerate public works programs of the Federal Government and to authorize participation in certain small public works projects in distress areas.'"

Mr. KERR. Mr. President, I ask unanimous consent that the time on the substitute be limited to 10 minutes on the side.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, I object unless I can get 3½ minutes on the amendment.

Mr. KERR. I will give the Senator 3½ minutes on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. LAUSCHE. Mr. President, reserving the right to object, I would like some time.

Mr. KERR. How much time does the Senator wish to have?

Mr. LAUSCHE. Not more than 5 minutes.

Mr. KERR. I will give the Senator that much time on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes.

I ask for the yeas and nays on the substitute.

The yeas and nays were ordered.

The PRESIDING OFFICER. A limitation of 10 minutes on the side is in effect.

Mr. CASE of South Dakota. Mr. President, I think, in order for Members of the Senate to understand what the real issue is here, I should make this statement. The bill as reported by the committee, and as it has been perfected now, concentrates more power in the hands of the President. It makes the President the authority to direct the acceleration of authorized programs; the authority to direct agencies to accelerate programs or to initiate new programs; and gives to the President the power to delegate the authority to subordinates, and they in turn to delegate to others.

The approach of the substitute is from an entirely different standpoint. The approach of the substitute is to leave with the President the responsibility for making a declaration of an emergency distressed area, the same as he may designate a distressed area today, but it confines to the agencies of Government which over the years have developed feasibility standards or guidelines the authority of prosecution of those projects.

In support of the substitute, let me point out that there are two principal features in it. One section, section 4,

instruction by Federal departments and agencies, and I read quickly:

SEC. 4. (a) The head of any department or independent agency of the Government which receives any appropriations for the fiscal year beginning July 1, 1962, or July 1, 1963, for the construction (including reconstruction and additions) by such department or agency of—

(1) any works of a public nature for improvement of rivers and harbors and other waterways, for navigation, flood control, irrigation, reclamation, development of hydroelectric power, or improvement of watersheds, or

(2) any public buildings, including post offices, or roads or trails in, or to provide access to, national parks, national forests, Federal reservations, Indian reservations, or public recreation areas, or on the public domain, may obligate an amount equal to 10 per centum of the total such appropriations to such department or agency for each such year for the construction—

And so forth. At this time I ask unanimous consent to place in the RECORD a table of the estimated construction expenditures authorized, which total about \$1½ billion.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated construction expenditures for fiscal year 1963

[In millions of dollars]	
Corps of Engineers.....	813
Bureau of Reclamation.....	259
Public buildings.....	215
Bonneville Power Administration (transmission lines).....	24
Southwest Power Administration (transmission lines).....	3
Soil Conservation Service (watershed, etc.).....	63
Forest highways.....	34
Public lands highways.....	4
Parkways, roads and trails:	
National Park Service.....	44
Bureau of Indian Affairs.....	19
Forest Service (includes permanent and direct funding as well as contract authority).....	47
Bureau of Land Management.....	8
Total.....	1,533
Public Health Service (waste treat- ment).....	55
Secondary and urban highways.....	495

The sum of \$1,533 million divided by 10 percent equal \$153 million for section 4 projects.

Mr. CASE of South Dakota. Theoretically, that is contract authority of \$153 million to agencies to accelerate or augment the appropriations, but I call attention to the fact that it would not increase the financial obligation of the Government. Once a project is started, the Government is committed to the cost of its completion. The augmentation would be advanced in the first year until it employed 10 percent of the work of the project which might be undertaken.

This approach is consistent with the philosophy which has been expressed so often that public works should be a shelf or reserve for increasing employment in time of need or time of unemployment. This section seeks to implement that theory, which has been expressed so many times here. It is recognized there are some areas in which projects may not be authorized, but in

which there may be a high rate of unemployment.

In section 5 we would authorize the head of a department or agency which already has authority to work in these fields to initiate certain small public works projects with a cost not to exceed \$500,000 on each one. That might be done either by loans or grants. We would authorize the appropriation of up to \$250 million for loans and \$250 million for grants; but, in the case of grants, in addition to loan money, the local recipient would be obligated to pay, and I call attention to line 20 on page 4:

The recipient of the grant shall be required to bear such portion of such cost as it is able to and at least 10 per centum thereof.

In other words, we try to provide a sensible policeman on the job for the institution of any of these small public works projects, limited in their overall cost to \$500,000, and requiring a contribution or participation by the local unit.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. What would be the aggregate cost of the bill as proposed?

Mr. CASE of South Dakota. The aggregate cost of the bill in terms of moneys which might not be returned would be \$250 million, because it would authorize an amount up to \$250 million. The bill would authorize an expenditure or contractual authority of up to \$150 million in projects for which we are committed anyway and for which the Government would pay the full cost, anyway over a 2-year period, in each of the 2 years.

We would also authorize \$250 million for loans, but that amount would be repayable. So the net increase in cost to the Treasury for funds to agencies which would handle small public works, over what the Government would be obligated to pay, would be \$250 million.

Mr. LAUSCHE. There would be \$150 million more than for projects committed?

Mr. CASE of South Dakota. For which there are commitments. It would not all be used, because this acceleration or augmentation could take place only in the distressed counties. The President would designate distressed areas by county, the same as he does in disaster areas. The President generally makes a designation by county. This is done in order that this provision might be flexible and usable in areas of real need, whether rural or urban.

I call attention to the language on page 5, paragraph (d), which deals with the \$250 million in loans and grants:

For the purpose of this section the term "small public works project" means the construction, repair, or improvement of public roads on the Federal-aid secondary system (including extensions into urban areas)—

We deliberately put in those words so it would not be limited to building secondary roads in the rural areas, but would extend to urban areas and street improvements in the cities—

public streets, sidewalks incident to street or highway construction, roadside areas,

parkways, access roads to recreational areas, bridges, and airports * * *.

Many of these things can be handled under the present law, under the Public Roads Acts:

Public parks, public school and other public recreational facilities; public hospitals, public rehabilitation and health centers, and other public health facilities; public refuse, garbage, water, sewage, and sanitary facilities.

Those are activities which already can be attended to through Community Facilities. This applies also to:

Civil defense facilities; public police and fire protection facilities; public educational facilities, laboratories, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures, including small watershed projects.

In other words, from the \$250 million a grant could be made, which would be administered by the Department of Agriculture, for a small watershed project. A grant could be made for a sewage disposal project, which Community Facilities, HEW, would handle. A grant could be made, through the Bureau of Public Roads, for extension of a secondary street through a city.

All of these things would be operated under the normal requirements applying to the present Federal agencies. There would be a ceiling of \$500,000 on each of these projects.

It would be, literally, an attempt to provide jobs at places where they are needed, under the restrictions of the bill. The overall cost, of course, would be much less than under the amended committee bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator's time has completely expired.

Mr. CASE of South Dakota. Then 10 minutes?

The PRESIDING OFFICER. Yes.

Mr. CASE of South Dakota. I yield myself 5 minutes from the time on the bill.

I yield to the Senator from Ohio.

Mr. LAUSCHE. Does the Senator's proposal envision a 2-year operation or a 1-year operation?

Mr. CASE of South Dakota. It envisions a 2-year operation, so far as the augmentation is concerned. So far as the \$250 million in grants or loans is concerned, that is a ceiling in dollars and could not extend beyond whatever time was used.

Mr. LAUSCHE. The \$250 million for grants would be for a 2-year period?

Mr. CASE of South Dakota. If there were any occasion for making \$750 million in grants in 1 year, I assume that the \$250 million would not last beyond the 1 year.

The augmentation, the 10 percent, would be for each of the 2 fiscal years, but it would not increase the cost to the Government, because there would be

no authorization to expand the projects. The augmentation would be for the authorized project to which the Government is already committed in any event.

Mr. President, from the time on the bill I yield 3 minutes to my distinguished colleague from South Dakota.

STOCK MARKET SLUMP

Mr. MUNDT. I thank my colleague.

Mr. President, I rise to bring to the attention of the Senate some very disturbing news which is filling the ticker tapes in the cloakroom at this moment.

I read the latest statement from the Associated Press:

New York.—The stock market slumped sharply today in the heaviest burst of selling in more than 30 years.

The ticker tape lagged more than an hour behind actual transactions, the greatest lag since the high-speed wire was installed in 1930.

Blue chip stocks were among those taking a bad beating in today's slide, a continuation of a steady decline that lasted all last week.

Brokers talked of fear feeding on itself as investors rushed to sell to retrieve what was left of old gains or to reduce losses.

Volume for the day was expected to run to 8 million shares, more than the 7.72 million that changed hands during the fall that followed former President Eisenhower's heart attack, September 26, 1955.

The 69-minute ticker lag could not be compared with the many hours' lag of the 1929 crash because the earlier ticker machines were not geared to go as fast.

At 2 p.m., the Dow-Jones average of 30 industrials was down 13.82 at 598.06, penetrating the 600 level which some Wall Streeters had hoped would provide a psychological barrier to further declines.

Standard & Poor's Investment Advisory Service said of the weakening market:

"An emotional upset, such as being experienced, often feeds on itself. More and more holders become panicky and sell to protect vanishing profits or to prevent losses from mounting. The movement gains momentum and almost invariably is carried to an extreme."

Brokers were hesitant to guess when the slide might level off.

American Telephone & Telegraph, the Nation's most widely held stock and a long favorite of conservative buyers, was down \$10.12 to \$101.50 late in the day. This was attributed in part to talk that the Federal Power Commission might crack down on utilities.

Mr. President, I point out that while the sharp selloff in the stock market cannot be attributed to the U.S. Senate, it can be said that the U.S. Senate has within its power the capacity to do something which would tend to put a stop to it.

On Friday, after the Senate approved the farm bill, I said if we finally give full congressional approval to this legislation it will be a further indication in the farm bill that America is moving into a controlled economy and that the discussion on the floor on Friday as to stock market losses would have to be repeated again at the beginning of this week. So it has been.

Mr. President, not only would the pending proposed legislation pass into the hands of the Executive unprecedented power, as would the legislation we considered on Friday—which would give control over the farm economy,

historically the genesis of a speedup in our economic conditions, because our gross national income is equal to seven times the raw material income of the country year after year—but also similar suggestions are seriously being considered by the committees of the Congress. It has also been suggested that Congress give to the President unprecedented controls over taxes, over tariffs, over appropriations, over the Federal Reserve Board, and over some 20 other functions and activities of the Government in its relationship to our economy.

I submit, Mr. President, that we cannot consistently and persistently attack our free economic system and expect it to thrive or to move forward without fear or without suspicion.

By voting "no" on some of these requests for unprecedented power, we can help to develop that assurance and re-assurance in our American system on the part of investors which will dissuade them from selling off their economic holdings at a time when basically and fundamentally the economy of this country is sound. All it requires is the opportunity to move onward without political threats, intimidations, recriminations, or the attempted imposition of some form of imported control system.

It has been proposed that we reduce the power of the chairman of the Senate Committee on Finance by detouring that committee on tax and tariff measures. One of the greatest authorities in this country—probably our best and greatest on Federal fiscal affairs—in my opinion—is the senior Senator from Virginia [Mr. BYRD]. It has been proposed to take away certain controls over our taxes and over our tariffs, which is entirely unprecedented. It has been proposed to take from the Senator from Virginia [Mr. BYRD], our best fiscal genius on Federal financing in this country, some of the determinations of what should be done in these delicate and significant areas of Federal financing.

That would be something like someone taking his wife to a diagnostic center, such as Mayo's in Rochester or Johns Hopkins, and saying, "My wife is ill with some poorly defined and indeterminate disease. I should like to have my wife admitted to your clinic. I should like to have my wife examined by all of your diagnosticians, except the best one you have. Do not let the best one you have examine my wife."

That is what is being said to the U.S. Senate by some of these recommendations from the White House, "Let everybody examine them and have something to say about them except the best genius we have, the chairman of the Committee on Finance, and other Members of the U.S. Senate and House of Representatives."

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. May I have one more minute?

Mr. CASE of South Dakota. I yield 1 additional minute to my colleague.

Mr. MUNDT. I rise to express sorrow about what has happened. I predict that we shall continue to observe a slump in the stock market unless the U.S. Sen-

ate someplace along the line stands up and votes for a system, for an ideology, for private enterprise, for a balanced budget, and for sound taxation. If we continue to shift down to the other end of the avenue our responsibility and our authority, to ignore the dictates of our own judgment, and to tie our own hands, we are asking for a continuation of the kind of disturbing financial news which the tickertapes in the cloakroom are carrying out with such a melancholy impact this afternoon.

I submit that soon—and perhaps with respect to the pending bill—Members of the Senate must stand firm for a policy of private enterprise and a division of political power which has served this country well for nearly two centuries. We must send the word to the folks at home and send the word to those around the globe that the United States did not get to be the greatest country in the world by doing everything all wrong; that there is something worth preserving in the system which has served us so well in the past. We need more economy and less exciting and upsetting experimentation in Government these days if we desire to restore the confidence required to restore prosperity in our country in these trying times.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAM

The Senate resumed the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

Mr. LAUSCHE. Mr. President, may I have some time from the time on the bill?

Mr. KERR. I believe the Senator from Ohio asked for some time to ask questions, and that time was granted. How much more time would the Senator like to have?

Mr. LAUSCHE. I should like to have 5 more minutes.

Mr. KERR. Mr. President, I yield the Senator 5 minutes from the 10 minutes we have on the amendment.

Mr. LAUSCHE. Mr. President, I contemplate voting for the Case of South Dakota amendment.

I voted first to increase the amount from \$600 million to \$750 million. Then there was added a second chapter to the bill, and that is the standby authority.

I wish to point out two significant things to which I believe we should give attention. First, within 2 months we shall be asked to lift the debt ceiling to \$308 billion.

Second, we shall be asked to pass a bill that would provide a contribution by the United States of \$2 billion to a \$6 billion pool in the International Monetary Fund.

When the proposal was made to establish the \$6 billion pool, the discussions were that it should be established so that there will be a gold and hard currency fund to be drawn upon by the United States and the United Kingdom. When the International Monetary Fund was created more than a decade ago, it was never contemplated that the pool of gold

and hard currency would be drawn upon by the United States. The pool was created for other nations in the world.

Now in the year 1962 we must create a \$6 billion pool so that when we get into distress, we can run to the Fund. That eventuality was never envisioned when the World Bank was created. Never was it thought that our currency might get into trouble. I have no doubt in my mind that the wave of selling on the stock market is partly actuated by the fact that the Fund of which I have spoken is in contemplation.

I have been on the floor of the Senate for 5 years. I have tried to build up a "fat" that could be drawn upon when unemployment became acute. I wanted to pay off the debt so that there would be available something in the body to sustain it when general nourishment was no longer available. But in the period of our greatest prosperity, spending went on and on. I ask Senators what we will do when the going gets really tough? What are we going to do then? Where will be the so-called fat? Where will be the reserve?

I want to provide help now. But our job requires looking into the future. We cannot deal with those things on an ad hoc basis today without giving the long-range look.

I suggest that we not proceed with haste now. We should try to keep available something to draw upon when the need really is great. Election time is here, certainly. I am running for election. I would like to go back to Ohio and say that I voted to give the money. But I frankly say that if I did vote for the measure now, I would be betraying my honest judgment, and that I refuse to do.

We shall come and go. In the long range of things we are meaningless. The life of our country is our responsibility, and we can proceed to ruin it by inordinate spending at the improper time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, I yield myself 3 minutes. I regret that some of my distinguished colleagues are as pessimistic as they are about the future of our country, about its financial stability, about its ability to meet its obligations and the needs of its people. I go back home also. I believe in the long look.

The future of this country depends upon the improved economic position of the average citizen of this country. It depends upon the opportunity for work of the average worker in this country. It depends upon the opportunity for redevelopment of some of the areas heavily stricken by economic recession.

Where is the Senator who feels that this Nation, with its increasing annual production, personal income, productive capacity, and production per unit of man-hour labor is unable to move into a situation in which up to 40 percent of the people in some communities are unemployed? What Senator would say that the Federal Government cannot stand an authorization of an expenditure of \$750 million a year for 1 year, and if the situation deteriorates and unemploy-

ment increases by from 4 percent to 5 percent, we cannot do it the second year?

I am astounded that men would talk about the International Monetary Fund as being determinative of what we should do for the employment, or the opportunity for employment of men and women. The action of the stock market has been alluded to. I am not sure but what the stock market reaction is a result of the unemployment in this country as well as other factors envisioned by the distinguished Senator from South Dakota.

I hope that rather than to approach the problem from the standpoint of a \$250 million grant, with a limitation of an additional \$150 million of accelerated expenditure per year for 2 years, that we would take the broad scale view and say that we will move with precision. We will move with vigor. We will not cripple ourselves. We will not tell the people of America, "Here is a program that will increase employment. It will increase the opportunity to eliminate poverty." Some will say, "No, we will not take the broad view. We will take the program on the basis of \$250 million, with the gross annual production at the rate we have."

Mr. President, I hope that the substitute will not be agreed to.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. KERR. I yield 3 minutes to the Senator from South Carolina on the bill.

Mr. THURMOND. Mr. President, I request 3½ minutes.

Mr. KERR. I yield 3½ minutes to the Senator from South Carolina.

Mr. THURMOND. I thank the distinguished Senator from Oklahoma.

The Constitution gives the power of the purse to Congress. Nowhere in that document is Congress authorized or empowered to delegate that function to either another branch of the Government or any agency which may be established by Congress. However, S. 2965 authorizes the President to initiate public works programs on a standby basis. These public works programs would be specified, not by Congress, but by the President. The power to appropriate money necessarily carries with it the power and duty to specify the exact programs for which that money is to be spent.

In order to preserve the balance of powers between the three separate and distinct branches of our Government, it is necessary for each branch to perform the duties delegated to it and jealously guard against any usurpation of its powers. If this bill is enacted into law in its present form, Congress will have abdicated its sworn duties and have been a part to the diminution of its own powers.

It is said that there are adequate safeguards written into the bill to prevent the exercise of indiscriminate power by the President. The safeguard is an administrative determination that the national unemployment rate has increased by 1 percent within a 3- to 9-month period. This is no more than a half-hearted pretense at putting reins on arbitrary delegations of power. It by no

means justifies the creation of this Presidential pork barrel which is unparalleled in the history of our country.

The problems of the unemployed are, and should be, of major concern to all Senators. It is obligatory for us to seek ways and means to relieve the distress which accompanies unemployment for the misjudgments of Congress have contributed to the problem. Nevertheless, in our zeal to do so, we must guard against entrenching upon time-honored and constitutionally endowed responsibilities. I submit that the same end—providing relief for areas suffering from substantial unemployment—can be accomplished within a framework consistent with the responsibilities of each branch of our Government.

No one person, regardless of who he is or what position he holds, should enjoy the almost unlimited exercise of powers bestowed upon the Office of President by this bill. For these reasons, Mr. President, I intend to support the pending amendment, which would retain the traditional responsibilities of Congress.

Mr. KERR. Mr. President, I yield 3 minutes on the bill to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I have listened with the greatest attention to what has been said about what has been happening in my hometown of New York on the stock market. Prices are not going up or down because of what we are going to do in connection with the pending bill. We can have different views on that subject, but it does not necessarily mean that the people who are selling are right or that the people who are buying are wrong. It should be remembered that whenever someone is selling on the stock market, someone else is buying.

In my opinion, it must to some extent reflect the uncertainties in the American community as to the capability of this administration to deal with the private economy.

There is at stake in all this discussion confidence in the administration to handle the economy of our country.

That does not mean that it is the President who is running everything. Nevertheless, I deeply feel that people who are selling have that impression. It does not mean that Congress does not have a great deal to say about it.

I hope that Congress will assert itself. I am not deluding myself in respect to this bill, that this is what Congress is going to do about it. The bill amounts to a billion dollars; and the money will have to be appropriated by the Congress. That does not mean very much when we are dealing with an economy of \$550 billion and a personal income of \$380 billion. So this is not very serious. The bill would give the President authority to do something about spotty situations.

If we want to do something meaningful, we had better get to a tax bill and to the foreign aid appropriations, and deal with other measures which are fundamental to the whole economy. Congress had better assert itself to American business, to show that it proposes to participate in the process by

which the American private economic system will be helped, and that the solution will not be left entirely to the President.

I had intended to speak at length tomorrow on this subject, but I was brought to my feet by the feeling in some quarters that this measure would have to deal materially with the whole economy. I do not feel that way.

Mr. CASE of South Dakota. Mr. President, I yield myself 2 minutes on the bill. I read from the bill as it presently stands.

On page 5, I read from section 4:

ACCELERATION OF FEDERAL PROJECTS

SEC. 4. In addition to the authority otherwise available to him, the President, during the existence of the public works acceleration period, may for the purpose of this Act, direct the department and agencies of the executive branch, under such rules and regulations as he may prescribe, to accelerate existing Federal public works projects and programs or to initiate new projects and programs already authorized by law.

On page 6, I read from section 5:

ACCELERATION OF EXISTING FEDERAL GRANT PROGRAMS

SEC. 5. During the existence of a public works acceleration period, the President may direct the departments and agencies of the executive branch to make grants, upon application and under such rules and regulations as they may prescribe, to finance the initiation or acceleration of public works projects and programs for which Federal grants are authorized by the Congress and under the terms and conditions prescribed by the Congress.

Finally on page 16, under delegation of powers there appears this language, which is very much in point if there is fear of an overweening of power:

DELEGATION OF POWERS

SEC. 13. The President may exercise any functions conferred upon him by this act through such agency or officers of the U.S. Government as he shall specify. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions. Nothing contained in this section shall authorize the President to delegate the power to proclaim or terminate the public works acceleration period.

Formerly, when we granted the President unusual authority, we provided for a termination of such powers by concurrent resolution of Congress. That was proposed when President Truman wanted to draft the workers for the railroads. Congress could declare the termination of the authority. There is no such provision in the bill for Congress to terminate the powers. The President could delegate all the powers given to him in the bill, and they could be redelegated.

If this does not add to or contribute to the great feeling in this country that there is a great concentration of power in the White House, I do not know what could do so.

Mr. President, this is not idle chatter. The remarks of my distinguished colleague ought to bring that home. The public is alarmed about something. The other day agriculture was the sub-

ject. Today it is public works. Tomorrow it will be the tariff. This involves the power to raise and lower taxes, and concentrating in the hands of one man all kinds of powers which he can exercise.

The Senate should stand up and say, "We will retain some of these powers in Congress and in the regularly organized departments and agencies, as proposed by the substitute."

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from South Dakota [Mr. CASE]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of Virginia (when his name was called). On this vote I have a pair with the senior Senator from Missouri [Mr. SYMINGTON]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the junior Senator from Wyoming [Mr. HICKEY]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Missouri would vote "nay,"

and the Senator from Massachusetts would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from California would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Missouri would vote "nay."

The result was announced—yeas 33, nays 43, as follows:

[No. 73 Leg.]

YEAS—33

Aiken	Dworshak	Murphy
Beall	Fong	Pearson
Bennett	Goldwater	Prouty
Boggs	Hickenlooper	Proxmire
Bush	Hruska	Scott
Case, N.J.	Javits	Smith, Maine
Case, S. Dak.	Keating	Thurmond
Cooper	Lausche	Tower
Cotton	Miller	Wiley
Curtis	Morton	Williams, Del.
Dirksen	Mundt	Young, N. Dak.

NAYS—43

Anderson	Humphrey	Morse
Bible	Jackson	Moss
Burdick	Johnston	Muskie
Byrd, W. Va.	Jordan	Neuberger
Cannon	Kefauver	Pastore
Chavez	Kerr	Pell
Clark	Long, Hawaii	Randolph
Dodd	Long, La.	Russell
Douglas	Mansfield	Smathers
Engle	McCarthy	Smith, Mass.
Gore	McClellan	Williams, N.J.
Hart	McGee	Yarborough
Hartke	McNamara	Young, Ohio
Hayden	Metcalf	
Holland	Monroney	

NOT VOTING—24

Allott	Eastland	Long, Mo.
Bartlett	Ellender	Magnuson
Butler	Ervin	Robertson
Byrd, Va.	Fulbright	Saltonstall
Capehart	Gruening	Sparkman
Carlson	Hickey	Stennis
Carroll	Hill	Symington
Church	Kuchel	Talmadge

So the amendment in the nature of a substitute offered by Mr. CASE of South Dakota was rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendment in the nature of a substitute was rejected be reconsidered.

Mr. CLARK. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, the Senator from Vermont [Mr. PROUTY] has an amendment which I shall be glad to have stated, in view of the fact that I shall be glad to have it agreed to.

Mr. PROUTY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 13, between lines 20 and 21, it is proposed to insert the following new subsection:

(d) Not more than 30 per centum of the funds authorized to be appropriated by section 10 may be used to carry out the purposes of section 6. The same limitation shall be applicable to the funds authorized to be appropriated in section 8.

Mr. KERR. Mr. President, I have no objection to the amendment.

Mr. PROUTY. Mr. President, I point out that under the bill as now drafted, all the funds could be used under the provisions of section 6 which relate to projects and programs which are not eligible for grants under other acts of Congress. In other words, if the President so desired, all the appropriations authorized under the act could be used for projects which never have been approved by Congress.

My amendment would limit the funds available for this purpose to not more than 30 percent of the authorized appropriations.

I am very grateful to the Senator from Oklahoma for accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. COOPER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. Does the Senator from Kentucky wish to have the amendment read?

Mr. COOPER. No, Mr. President; I ask unanimous consent to dispense with the reading of the amendment, and that the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment offered by Mr. COOPER is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Emergency Public Works Act of 1962'."

"FINDINGS

"SEC. 2. The Congress finds that (1) certain communities and areas of the Nation are presently burdened by substantial unemployment and underemployment and (2) action by the Federal Government is necessary to provide immediate useful work for the unemployed and underemployed in these communities. It is the intent and purpose of the Congress to provide for an immediate program of assistance for public works in those areas.

"GENERAL AUTHORIZATION

"SEC. 3. (a) The Housing and Home Finance Administrator (hereinafter referred to as the Administrator), may exercise the authority provided in this Act in areas currently designated by the Secretary of Labor

as having been areas of substantial unemployment in each of at least nine of the twelve immediately preceding months, and in areas currently designated as 'redevelopment areas' pursuant to the Area Redevelopment Act.

"(b) The Administrator shall prescribe rules, regulations, and procedures which will assure that adequate consideration is given to the relative needs of the areas eligible for assistance. In prescribing such rules, regulations, and procedures, the Administrator shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

"(c) In the case of those projects or programs which qualify under standards established by the Administrator applying uniformly to all similar areas, if the Administrator determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to this Act for a project or program in such area may be made without regard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof.

"GRANTS FOR PUBLIC WORKS PROJECTS NOT ELIGIBLE UNDER EXISTING PROGRAMS

"SEC. 4. (a) For the purpose of this Act, the Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to make grants from funds appropriated pursuant to section 7 to States and local public bodies to finance the initiation or acceleration of public works projects and programs which are not eligible for grants under other Acts of Congress.

"(b) The amount of any grant made under the authority of this section shall not exceed 50 per centum of the cost of undertaking and completing the project or program for which the grant is made.

"FEDERAL LOANS

"SEC. 5. (a) For the purpose of this Act, the Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to use funds appropriated pursuant to section 7 to purchase the securities and obligations of, or make loans to, States and local public bodies which otherwise would be unable to meet their share of the cost of projects and programs for which grants have been authorized pursuant to section 4 of this Act.

"(b) All securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other financial institutions through agreements to participate or by the purchase of participations or otherwise.

"(c) No securities or obligations shall be purchased and no loans shall be made including renewals or extensions thereof which have maturity dates in excess of forty years.

"(d) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (1) 3 per centum per annum, or (2) the total of one-half of 1 per centum per annum added

to the rate of interest required to be paid on funds obtained for the purposes of this section as determined by the Secretary of the Treasury as provided under subsection (e) of this section.

"(e) Funds used for the purpose of this section shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the preceding fiscal year and adjusted to the nearest one-eighth of 1 per centum.

"RESTRICTIONS AND LIMITATIONS

"SEC. 6. The authority conferred by this Act shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be made with respect to any project or program unless the project or segment of work, to be assisted under this Act—

"(A) can be initiated or accelerated within a reasonably short period of time;

"(B) will meet an essential public need;

"(C) if initiated hereunder, can be completed within eighteen months after initiation, but not later than twenty-seven months after the date of enactment of this Act;

"(D) will contribute significantly to the reduction of unemployment; and

"(E) is not inconsistent with locally approved comprehensive plans for the jurisdictions affected, wherever such plans exist.

"(2) Not more than 12½ per centum of the funds provided for projects and programs pursuant to this Act shall be made available within any one State.

"(3) The Administrator shall prescribe such rules, regulations, and procedures as will assure that no assistance under this Act shall be made available to any State or local public body unless the project or program for which the assistance is granted produces a net increase in the expenditures of such State or local public body for public works projects approximately equal to the non-Federal contribution to the project or program.

"APPROPRIATIONS AUTHORIZED

"SEC. 7. There is hereby authorized to be appropriated the sum of \$750,000,000 to carry out the provisions of this Act.

"ADVANCES FOR PUBLIC WORKS PLANNING

"SEC. 8. Section 702 of the Housing Act of 1954 is amended by striking out in subsection (3) 'July 1, 1961;' and the remainder of the subsection, and inserting in lieu thereof, 'July 1, 1961;' and such additional sums which may be made available from year to year thereafter."

"LABOR STANDARDS

"SEC. 9. All laborers and mechanics employed by contractors or subcontractors on projects and programs assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. No such project or program shall be approved without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15),

and section 3 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

"DEFINITIONS

"SEC. 10. As used in this Act—

"(a) The term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) The term 'local public body' includes public corporate bodies or political subdivisions; public agencies or instrumentalities of one or more States, municipalities, counties, or other political subdivisions of States; Indian tribes, and boards or commissions established under the laws of any State to finance specific public works projects.

"(c) The term 'public works' includes the construction, repair, and improvement of: public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; public hospitals, rehabilitation and health centers, and other public health facilities; public refuse and garbage disposal facilities; water, sewerage, sanitary facilities, and other public utility facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, libraries, museums, offices, laboratories, employee housing, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures.

"(d) The term 'project' includes a separable, usable feature of a larger project or development.

"(e) The term 'segment of work' means a part of a program on which the work performed can be separately identified by location and will provide usable benefits or services."

Amend the title to read as follows: "A bill to provide authority to accelerate public works programs of State and local public bodies in areas of the Nation where there is substantial unemployment and underemployment."

Mr. COOPER. Mr. President, I can quickly explain the amendment. Copies have been placed on the desks of all Senators.

This is an amendment in the nature of a substitute for the bill as reported by the committee and as it has been perfected by the Kerr amendments.

My amendment would, first, strike out of the bill the standby authority for \$750 million.

Mr. KERR. Mr. President, I ask unanimous consent that debate on this amendment be limited to 5 minutes to a side.

Mr. COOPER. No, Mr. President; I could not agree to that proposal. Under the unanimous-consent agreement, half an hour is available to each side.

Mr. KERR. Very well.

Mr. COOPER. Mr. President, as I was saying, the first effect of this amendment would be to strike out the standby authority of \$750 million in section 10 of the bill. Next, the amendment would retain the authorization in section 8 of the bill for the expenditure of \$750 million immediately in areas of existing high unemployment—that is, to the extent that the \$750 million authorized might be supported by appropriations.

It may be asked how the amendment which I have offered differs from the Kerr amendment, which also authorizes

in section 8 the appropriation of \$750 million for immediate expenditure. My amendment differs as follows: The Kerr amendment, which provides a \$750 million authorization under the section known as the "Chavez amendment," section 8, would permit the \$750 million to be spent on several types of projects. Among them are those for which the total expenditures are Federal expenditures. They are illustrated by Corps of Engineers projects. The amendment would also permit expenditures upon Federal-aid projects, such as highway projects, water pollution projects, watershed projects, and hospital construction projects—projects and programs which have been approved and authorized by Congress. Third, it would permit expenditures upon local projects which are not now eligible for Federal aid.

My amendment differs from the Kerr amendment in that my amendment would require that the full \$750 million be spent upon local projects—small projects in communities, the types of projects which are not now eligible for Federal aid. The same limitations would be placed upon the expenditure of the funds upon projects of that type that are contained in the Kerr amendment—that is, Federal financing would be on a matching basis, 50-50, if the community is able to match. If not, the local share could be reduced to 10 percent—and there is also a provision for a loan to the community if it is unable to furnish its share.

It may be asked why I offer an amendment of this type. First, I return to my belief that the \$750 million of standby authority in section 10 should be stricken from the bill. I say this because it would not become available until July 1, 1963. Certainly before that time, if conditions deteriorated so much that standby authority were needed, a great deal more money than \$750 million would be required; and next year we shall have an opportunity to determine whether conditions have worsened or whether they are better.

Turning to the second feature of my amendment—the part which provides a \$750 million authorization under the Chavez amendment—but limits it to expenditure on local projects which are not now eligible for Federal aid—I should like to state why I believe this would be better than the Kerr amendment. The first reason is that it would not include existing Federal programs or disrupt their criteria. Criteria have been established by Congress for programs which depend wholly upon Federal aid and for the programs which provide assistance to the States. Such criteria are understood by the States and the local communities.

I do not believe we ought to interfere with criteria established for such programs. Appropriations are available or will be available for existing programs in the amount of at least \$2 billion. They can be accelerated by the President, just as President Eisenhower accelerated the highway program. Defense appropriations could be accelerated.

If we begin to change the criteria of these established programs as the committee bill would do, we will create dis-

crimination between States and communities. It would lead to arbitrary decisions. We might see the deterioration of the existing Federal and grant-in-aid programs.

The best way to put people to work quickly is through small projects which can be quickly planned and commenced in local communities. Projects for streets, sidewalks, bridges, buildings, sewers—all kinds of local works of that kind—can be started promptly.

From 1930 to 1937 I served as a county judge in my county, during the depression. In that position I worked ex officio with those in charge of the relief and works programs. I have never forgotten those years. I learned from experience that it was not the large programs carried out by contractors, with machinery and their own crews, that put people to work. It was the small projects in local communities. I have never forgotten those years—the people in need and out of work—and I want this bill to be effective.

This is the reason which leads me to believe that it would be most effective to confine the expenditure of \$750 million under the Chavez amendment to programs which are not now eligible for Federal grants. It would stimulate the commencement of projects which would quickly put people to work. That is the chief point of my amendment.

I serve on the Public Works Committee, but I am not an economist. Neither am I an expert on fiscal and monetary affairs. But I do know that this bill is much more important than is indicated by the time and debate given to it. It brings into issue the state of our economy, and what methods are best to accelerate its growth and to provide jobs. Yet very little has been said in the hearings or in the debate on the Senate floor about these basic issues.

The fact that this bill is before us indicates the administration's belief that the economy is in difficulty.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. GORE. I congratulate the able Senator upon the remarks he has just made. Like the able senior Senator from Kentucky, the junior Senator from Tennessee served in a county office before having the privilege of serving the U.S. Congress.

Mr. COOPER. And we were not many miles apart.

Mr. GORE. That is correct; nor have we ever been far apart so far as personal friendship is concerned.

I agree with the Senator when he states that this is an important bill in the state of our economy. Remarks were made earlier today about the need for the Senate to take some action to stem certain activities in the stock market. I do not know that the Senate needs to meet that condition, but, if so, the most effective way to bolster our economy, in my opinion, is to spend money in the public domain, on projects and undertakings that will add permanent improvements to our country, facilities for our communities, cities, towns, and States, thereby adding to the wealth and enjoyment of the country and providing

jobs for those who need work, and who are willing and able to work, and who, in turn, will spend the money for the needs of their families.

Mr. COOPER. I thank the Senator. There is a great variety of opinion in the country as to the proper means to stimulate the economy. Some urge emergency works measures. For emergency purposes I would say that tax reductions and revision would be more effective.

Basically the provision of jobs depends upon the growth of our private enterprise, its modernization, its ability to compete, and the confidence of people to invest in private enterprise. And these basic necessities are influenced strongly by governmental policy—by confidence or lack of confidence in governmental fiscal and monetary policies. Regretfully, for I want our country to be prosperous, and I gain no partisan pleasure from any economic failure of the administration, I believe there is a lack of confidence in the country today, about the policies of the administration. Nevertheless, whatever this administration does, and whether it puts its fiscal and monetary policies in order, and whether investment stimulates the economic growth of the country, many people will be out of work for a time, due to the lag in our economy and technological changes, which have put people out of work. I believe these people ought to be taken care of. I do not think a rich country, at a time a country in which many people are enjoying their highest living standards, can refuse to act, when people are out of work through no fault of their own.

Other Senators and I did our best to strike out the worst provisions of the bill—the \$2 billion standby authority, and the bad financing provisions—and we were successful. I believe the amendment I have offered—and I say this to the Senator from Oklahoma with sincerity—is more realistic than the committee bill. It does not contain provision for the \$750 million in standby authority which is not needed. I repeat, if the situation is such that we need standby authority 1 year from now, we will need much more than \$750 million. My amendment would direct the \$750 million to areas where it is needed, to the areas of unemployment about which the Senator from Oklahoma spoke. It is not merely “a shot in the arm,” which, as we all know, has not been successful in the past.

I hope the Senate will adopt my amendment.

I thank the Senator from South Dakota [Mr. CASE] for his efforts to improve the bill. I know that, long before any of us spoke in the committee, he was the first on the Senate floor to bring these considerations to the attention of the Senate. He led the battle, and we are grateful to him.

Mr. CASE of South Dakota. Mr. President, will the Senator yield so that I may respond?

Mr. COOPER. I yield.

Mr. CASE of South Dakota. The distinguished Senator from Kentucky has been a tower of strength for sound thinking on the Public Works Committee, and the proposal which he has offered as a

substitute is good evidence of his clear thinking and understanding of the problem.

The substitute which he offers is a well-organized bill. It goes to the heart of the true problem. It avoids concentration of power in establishing new bureaus and a bigger bureaucracy which I feel could result from the bill as reported from the committee.

I hope the substitute will be agreed to.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. I shall support the Senator's substitute. I agree with what the Senator from South Dakota has said about it. I asked the Senator to yield only because my beloved and good friend the Senator from Tennessee has posed an issue which is important. I do not know his own views on this issue, but I would like to state mine, if I may.

The issue is, Can we hope to materially affect the total economy of the country by a bill of this kind? I think what the Senator from Kentucky has done has put the issue in precise terms. In short, we cannot change the economy of the country. We can deal with some basic pockets of unemployment. This is a good way to do it.

The fundamental issue or question involved is, Can action in the field of expenditure, such as in public works, change the direction of the general economy? It is my deep conviction that it cannot.

I shall support the Senator's amendment, which is very clear sighted and straight, because it is a means by which we can do something about a particular, specialized problem. Let us get it on the road, with Congress doing something fundamental for the economy. I think it is the impairment of confidence that is bringing about the erosion of confidence today.

Mr. COOPER. I thank the Senator.

Mr. KERR. Mr. President, I hope the amendment will not be agreed to.

The Senator talked about consideration of the bill. He said it was too important to be acted on in the time given to it. We had many days of hearings on the bill in the committee. We had several days of consideration. All of today has been devoted to debate in the Senate.

The Senator's original amendment would have authorized the amount of \$600 million. I understand he now would change the figure to \$750 million.

Mr. COOPER. Because the Senate voted for that.

Mr. KERR. The Senate voted for \$1.5 billion.

The Senator would put the whole administration of the bill, if his amendment were agreed to, under the Administrator of the Housing and Home Finance Agency.

The Senator from Vermont said that section 6 of the bill provided for projects not now authorized, and he feared that too much of the money appropriated would be spent for that purpose. The Senator from Oklahoma recommended the acceptance of a limiting amendment, that not more than 30 percent of the money should be available

for those purposes, as outlined under section 6. That was agreed to, unanimously, as I understood, with the vote of the Senator from Kentucky.

Mr. COOPER. I voted against it. I voted "nay."

Mr. KERR. As I understand the Senator's proposal, he would put the entire bill under section 6, for the projects not now authorized. The entire bill would be put under section 6.

The Senator said that criteria have been established by the Congress, for which he wishes to see money appropriated. How could criteria be fixed for projects not authorized and not in existence?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KERR. How could criteria be established for water projects, for anti-pollution projects, for sewage projects, or for other projects, if the entire appropriation is limited to the Housing and Home Finance Agency?

I cannot imagine anything less persuasive than the general substitute now offered by the Senator from Kentucky, who is a member of the committee. The amendment was not before the committee. It was not a question that the Senator felt should be considered by the committee. Yet the Senator says we have not devoted enough time to the bill, at the same time he asks the Senate to throw it entirely aside and to substitute for it a proposal which, I venture to say, not more than one Senator out of ten understands, and with reference to which no criteria have been established and no consideration has been given. It is a proposal for administration in entirety by the Housing and Home Finance Agency.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KERR. I yield the floor.

Mr. COOPER. I am sure the Senator from Oklahoma understands my proposal clearly.

Mr. KERR. I described it fairly clearly.

Mr. COOPER. I am sure the Senator understands it clearly, but he has not described it correctly.

First, I wish to comment upon our committee action. The committee met and heard testimony of representatives from the administration. The Secretary of Labor and the Director of the Bureau of the Budget and others presented their proposal to spend \$2 billion and to take the money from special funds of important Government agencies.

Later the committee met in executive session.

The Senator knows the high regard I have for him. I love the Senator. The Senator is a very persuasive man. The committee reported that bill very quickly.

We did our best in the committee, and I was not asleep at the time. I made a motion with Senator Boggs to strike the \$2 billion standby authority. All of the Senators on my friend's side of the aisle voted against the motion.

Again with Senator Boggs, I made the motion to strike out the financing provision. Every one on the Senator's side voted against it.

Again we made the motion to confine the program to the same section I am now emphasizing—the Chavez amendment, which is now included in the amendment of the Senator from Oklahoma. I made the motion and it was defeated.

I have not sought to change that section, other than in two respects. I have accepted the \$750 million figure, on which the Senate voted today, and I have placed in my amendment the provision that it should be restricted to local projects which are not now eligible for Federal aid, for the reason that they can be put into operation faster, and can provide employment for people who are out of work.

With respect to criteria, I did not say that these projects have Federal criteria. I said that we ought not to meddle with the Federal aid projects and other Federal projects having criteria developed by the Congress. If we should do so, we would tear down the structure which the Congress, the States, and the communities have established throughout the years.

I know the clear and keen mind of my dear friend. He knows exactly what I am proposing. I know he understands my explanation.

Mr. KERR. Mr. President, I would not do an injustice to the Senator from Kentucky for 10 bills.

If I understood the Senator in the committee, he voted for the Chavez amendment.

Mr. COOPER. That is correct.

Mr. KERR. And he offered no substitute for it.

Mr. COOPER. There was not time.

Mr. KERR. The Chavez amendment covered sections 4, 5, 6, and 7 of the bill.

I made the statement that the proposal now made was not offered to the committee. It would limit the entire appropriation to sections 6 and 7 of the bill. I know the Senator will admit that he did not offer that proposal to the committee. That is all the Senator from Oklahoma said.

Mr. COOPER. There was hardly time to offer anything.

Mr. KERR. The Senator had an abundance of time to offer proposals.

This is the first time that such a suggestion has been made, to my knowledge, anywhere.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator yield to the Senator from New Mexico?

Mr. COOPER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I presided at the committee meeting when the bill was reported.

No one respects the Senator from Kentucky more than does the senior Senator from New Mexico. I appreciate his cooperation, both at the time of the hearings and at the time of marking up the bill. However, I do not recall that any effort whatsoever was made to change it.

I thank the minority members of the committee for their cooperation. This

is the first time we have heard about the changes. I hope that the Senate will pass what we have recommended.

Mr. COOPER. Mr. President, I thank the Senator from New Mexico. Both the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] are correct in their statements that I did not move in the committee to change the Chavez amendment.

But the amendment I offer on the floor would change it to a certain extent. It would be limited to projects not now under Federal aid. I said that. I have a right to suggest the change. It is my idea. I think it is a good one.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. KERR. Mr. President, I yield back my remaining time.

Mr. COOPER. Mr. President, I yield back any time remaining on this side.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Kansas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from California would vote "yea."

On this vote the Senator from Missouri [Mr. LONG] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Massachusetts would vote "yea."

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Washington [Mr. MAGNUSON], and the Senator

from Missouri [Mr. SYMINGTON] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from California would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 34, nays 44, as follows:

[No. 74 Leg.]

YEAS—34

Aiken	Dworshak	Pearson
Beall	Fong	Prouty
Bennett	Goldwater	Proxmire
Boggs	Hickenlooper	Scott
Bush	Hruska	Smith, Maine
Cannon	Javits	Thurmond
Case, N.J.	Keating	Tower
Case, S. Dak.	Lausche	Wiley
Cooper	Miller	Williams, Del.
Cotton	Morton	Young, N. Dak.
Curtis	Mundt	
Dirksen	Murphy	

NAYS—44

Anderson	Humphrey	Morse
Bible	Jackson	Moss
Burdick	Johnston	Muskie
Byrd, Va.	Jordan	Neuberger
Byrd, W. Va.	Kefauver	Pastore
Chavez	Kerr	Pell
Clark	Long, Hawaii	Randolph
Dodd	Long, La.	Robertson
Douglas	Mansfield	Russell
Engle	McCarthy	Smathers
Gore	McClellan	Smith, Mass.
Hart	McGee	Williams, N.J.
Hartke	McNamara	Yarborough
Hayden	Metcalfe	Young, Ohio
Holland	Monroney	

NOT VOTING—22

Allott	Ellender	Magnuson
Bartlett	Ervin	Saltonstall
Butler	Fulbright	Sparkman
Capehart	Gruening	Stennis
Carlson	Hickey	Symington
Carroll	Hill	Talmadge
Church	Kuchel	
Eastland	Long, Mo.	

So Mr. COOPER's amendment was rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. CLARK. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. CLARK. Mr. President, I call up the amendment identified as "5-23-62—O," on behalf of the Senator from Missouri [Mr. LONG].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 17, line 19, following the word "facilities;" and before the word "public" insert "prisons, training schools, and youth correctional facilities;".

Mr. CLARK. Mr. President, the amendment proposed by the Senator from Missouri [Mr. LONG] is now the pending business. I have spoken to both the Senator from South Dakota [Mr. CASE] and the Senator from Oklahoma [Mr. KERR], who is in charge of the bill on the floor. They tell me they have no objection to it. The purpose is to make clear that prisons and training schools and youth correctional facilities may qualify as places that would be eligible for loans under the bill.

Mr. KERR. I have no objection to the amendment.

Mr. CASE of South Dakota. I have no objection. However, if we are to expand these items for public works, probably we should also include nonprofit hospitals. The language merely refers to public hospitals. I refer to page 17, at line 19.

Mr. KERR. That is the only kind covered in the bill.

Mr. CASE of South Dakota. There are many hospitals constructed with Hill-Burton funds which are not strictly public hospitals. They are nonprofit hospitals.

Mr. KERR. Under the bill they can qualify up to a 50-percent grant, but not more than that.

Mr. CASE of South Dakota. Is the Senator certain that a hospital sponsored or built by one of the religious organizations is not included?

Mr. KERR. It would not be a public hospital.

Mr. CASE of South Dakota. But those hospitals qualify for Hill-Burton funds.

Mr. KERR. I refer the Senator from South Dakota to the amendment at page 17, line 19, "after 'public' insert 'and nonprofit.'"

Mr. CASE of South Dakota. "Public and" or "public or"?

Mr. KERR. "Public and nonprofit." I have no objection to the amendment of the Senator from Missouri, which was included in the substitute offered by the Senator from South Dakota.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK] for the Senator from Missouri [Mr. LONG].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I have an amendment at the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 17, after the word "variations," it is proposed to add the following: "and excluding unemployment existing by reason of any strike or strikes".

Mr. MILLER. I propose limiting the time for debate on the amendment to 5 minutes on each side.

Mr. KERR. That is agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. I ask for the yeas and nays.

The yeas and nays were not ordered. Mr. MILLER. I said I would suggest 5 minutes on each side for a limitation on debate. However, I want the yeas and nays on my amendment, and I am not ready to ask for 5 minutes on a side unless I can have the yeas and nays ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, I yield myself 2 minutes. The one thing that bothers me about the bill is with respect to the 1 percent increase, which can trigger off three-quarters of a billion dollars worth of public works spending.

It seems to me that the real intention behind the 1 percent is that it be due to a real economic reason. We know that strikes can have a very important impact on unemployment.

Let us visualize, for example, that during a 5-month period unemployment goes up three-quarters of 1 percent, and suddenly there is a big strike. That would trigger off three-quarters of a billion dollars of public works spending. Then let us visualize that a day or two after that happens, the strike is settled.

I cannot believe that the real function behind the bill is to cover a situation like that. However, if we are really seeking to solve economic problems, I suggest that the amendment would attain that result. Without my amendment we could trigger off three-quarters of a billion dollars almost overnight as a result of a strike.

I have nothing further to say on my amendment. I shall be happy to yield for questions, or yield back my time.

Mr. KERR. Mr. President, I yield myself 1 minute. I hope the amendment will not be agreed to, because I do not believe that we should pass a bill for the express purpose of relieving unemployment and then have it interpreted as being a bill to outlaw strikes. I do not believe the Senate would want to do that.

I yield back the remainder of my time.

Mr. MILLER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Iowa. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN],

the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Missouri [Mr. SYMINGTON], the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], and the Senator from California [Mr. KUCHEL] would each vote "nay."

The result was announced—yeas 12, nays 66, as follows:

[No. 75 Leg.]

YEAS—12

Bennett	Dworschak	Miller
Byrd, Va.	Hickenlooper	Mundt
Case, S. Dak.	Hruska	Robertson
Curtis	Lausche	Thurmond

NAYS—66

Alken	Hartke	Moss
Anderson	Hayden	Murphy
Beall	Holland	Muskie
Bible	Humphrey	Neuberger
Boggs	Jackson	Pastore
Burdick	Javits	Pearson
Bush	Johnston	Pell
Byrd, W. Va.	Jordan	Prouty
Cannon	Keating	Proxmire
Case, N.J.	Kefauver	Randolph
Chavez	Kerr	Russell
Clark	Long, Hawaii	Scott
Cooper	Long, La.	Smathers
Cotton	Mansfield	Smith, Mass.
Dirksen	McCarthy	Smith, Maine
Dodd	McClellan	Tower
Douglas	McGee	Wiley
Engle	McNamara	Williams, N.J.
Fong	Metcalf	Williams, Del.
Goldwater	Monroney	Yarborough
Gore	Morse	Young, N. Dak.
Hart	Morton	Young, Ohio

NOT VOTING—22

Allott	Ellender	Magnuson
Bartlett	Ervin	Saltonstall
Butler	Fulbright	Sparkman
Capehart	Gruening	Stennis
Carlson	Hickey	Symington
Carroll	Hill	Talmadge
Church	Kuchel	
Eastland	Long, Mo.	

So Mr. MILLER's amendment was rejected.

Mr. KERR. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, one technical amendment should be made in the bill. On page 16, line 14, the language reads: "and section 3 of the Act of June 13, 1934, as amended." The wording should be changed to read "and section 2 of the Act of June 13, 1934, as amended." I ask unanimous consent that the figure "3" be changed to "2."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is agreed to.

The bill is open to further amendment.

Mr. CASE of New Jersey. Mr. President, for myself and on behalf of my colleague from New Jersey [Mr. WILLIAMS] I offer the amendment which is at the desk. I ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed in full at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with; and without objection, the amendment will be printed at this point in the RECORD.

The amendment is as follows:

On page 16, between lines 16 and 17, insert a new section as follows:

"SHORE PROTECTION

"Sec. 13. The Act entitled 'An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property', approved August 13, 1946, as amended (33 U.S.C. 426e-426h), is amended as follows:

"(1) in subsection (b) of the first section strike out "one-third" and insert in lieu thereof "one-half";

"(2) before the period at the end of such subsection (b) insert a comma and the following: "except that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and further that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore parks and conservation areas may be the total cost exclusive of land costs, when such areas (1) include a zone which excludes permanent human habitation, (2) include but are not limited to recreational beaches, (3) satisfy adequate criteria for conservation and development of the natural resources of the environment, (4) extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage, and (5) provide essentially full park facilities for appropriate public use, all meeting the approval of the Chief of Engineers";"

Redesignate the following sections of the bill accordingly.

Mr. CASE of New Jersey. Mr. President, the amendment would add a new section to the bill, by which the Federal Beach Control Protection Act would be amended to increase the Federal share in normal projects from one-third to one-half, and also to increase the Federal share to 100 percent in the case of federally owned property and in the case of certain other publicly owned property which meets certain criteria.

The necessity for the amendment of the basic Beach Control Act is very clear from our experience in New Jersey. We have a program for the entire shore from Sandy Hook to Cape May, approved by the Corps of Engineers,

which would cost an estimated \$29 million, for which, under existing law, the Federal Government would be permitted to spend only \$7 million, in part because a part of the property is private property, on which no Federal share would be payable at all.

Except for a few isolated instances, the program has been utterly unavailing, because the State and the affected municipalities have been unable to pay the cost which is necessary under existing law.

My colleague from New Jersey [Mr. WILLIAMS] and I have introduced a bill (S. 3310) which would change the basic law in this regard. The effect of our proposal would be to make this change as an amendment to the bill now before the Senate. I understand, of course, that hearings have not been had on the bill which my colleague from New Jersey and I have introduced. I believe it would be appropriate for such hearings to be had on it before the Senate would be asked to act upon a measure as important as this. Therefore, I do not intend to press for Senate action on the amendment at this time; but I should like to ask the Senator in charge of the bill about the possibility of having hearings held on our amendment.

Mr. KERR. I feel sure that in a few weeks the Senate committee will hold hearings on an omnibus bill, for I have been assured by the House committee that an omnibus bill will come to us from the House; and my experience since I have been a member of the committee leads me to believe that that is likely to be the course.

The present provision of the law was enacted several years ago, following committee hearings; and I say to the Senator from New Jersey that the Public Works Committee will be very glad indeed to hold hearings on his amendment at such time as the omnibus bill comes to it, this year. Therefore, I have told the Senator that I would be glad to have the committee consider the amendment in connection with its consideration of the omnibus bill.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I yield.

Mr. CASE of South Dakota. I concur in what the Senator in charge of the bill has said. There may be a question as to whether the amendment would be germane, and it would come under the unanimous-consent agreement which provides that no amendment not germane would be considered. The provision which is sought to be amended was part of a public works bill of a few years ago, and I question whether it would be germane to amend that act by means of this measure.

At any rate, the circumstances related by the Senator from New Jersey indicate the importance of the situation; and I, too, would be glad to have the amendment given a hearing and consideration by our committee at the time when the hearings on the omnibus bill are held.

Mr. CASE of New Jersey. I thank both the Senator from Oklahoma and the Senator from South Dakota for the

position they take in regard to hearings on the amendment; and, Mr. President, based on their assurances, and acting on behalf of my colleague the Senator from New Jersey [Mr. WILLIAMS] and myself, I now withdraw the amendment.

Mr. President, I ask unanimous consent that a statement in support of the amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CASE OF NEW JERSEY

Our amendment would assure increased Federal participation in the cost of providing beach erosion control protection on a long-range basis.

The residents of that extensive area along the eastern coast which suffered the devastating effects of the March tidal storms understand fully what would happen to their homes and businesses, their lives and property, should another storm of anything like similar severity strike in the near future. These same residents know, too, how different things would likely have been, had permanent beach protection barriers been there before the March storm struck.

We understand that the President declared seven coastal States eligible for Federal aid from his disaster fund in the wake of the March storm. But everyone knows, too, that this Federal program meets only emergency costs of repair and that, dollarwise, the amount of money actually allocated is insignificant compared to the overall cost to public and private facilities. And even more important is the fact that the character of the repair work being done, in good measure, is of a temporary nature.

A program for permanent beach erosion control has been proposed by the Army Corps of Engineers for the New Jersey shore, from Sandy Hook to Cape May. This program would cost a total of \$29 million. Of this, the Federal share would be only about \$7 million, under existing law. The present formula of Federal participation is one-third of the cost of providing permanent beach protection, exclusive of purely private beach areas which are not eligible for Federal assistance. For financial reasons, the State of New Jersey and municipalities affected have been unable to meet their share, except in a few isolated instances. Accordingly, this vitally needed program is at a virtual standstill.

On May 16, I introduced a bill, S. 3310, in behalf of myself and Senator WILLIAMS of New Jersey, which would increase from one-third to one-half the Federal participation in the cost of shore restoration and protection projects.

It also provides for 100 percent Federal cost participation in protection of Federal property and in projects of State, county, and other publicly owned shore parks and conservation areas which meet certain criteria set forth in the bill. The Federal participation in the cost of providing this permanent protection could be total, exclusive of land costs, when such areas—

1. Include a zone which excludes permanent human habitation;
2. Include but are not limited to recreational beaches;
3. Satisfy adequate criteria for conservation and development of the natural resources of the environment;
4. Extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and
5. Provide essentially full park facilities for appropriate public use, all meeting the approval of the Chief of Engineers.

The amendment which we offer today embodies the principal provisions of S. 3310. It is designed to assure an increase in the cost of Federal participation in beach erosion projects, one of the kinds of public works programs of the Federal Government and State and local public bodies meant to be assisted by the pending bill.

The lesson of the recent storm is a vivid one for those of us in coastal areas. The objective of this amendment is to assure priority status for a most worthy public works program. If the recommendations of the Engineers had taken practical effect in my State, we are sure that the seawalls, the sand fill, the bulkheads, the jetties, the groins and other protective devices would have minimized to a considerable extent the effects of the March disaster. This amendment recognizes that without increased Federal participation, the prevention of similar disasters will be difficult indeed.

Protecting the precious national asset which is our shoreline is a needed public work, regardless of the desirable effect this construction would have in decreasing unemployment.

Adoption of my amendment would assure increased Federal participation in the cost of providing beach protection.

The Federal share of existing matching grant programs would be increased if the standby authority provided by S. 2965 should be triggered into action. If action is triggered, increased Federal participation would be the result, but not to the extent which strengthened conservation practices would provide under my amendment. If there is no trigger, there is no action, and the Federal share of the costs would not be increased. Hence, the incentive to get beach erosion control projects into motion would be lacking, even as the incentive is lacking today.

The other major provision of S. 2965 provides immediate aid to areas of substantial unemployment. But there is no provision for increasing Federal participation in beach erosion projects unless the President determines that an area is suffering unusual economic distress.

The amendment which I propose is not of benefit to my State alone. America's shoreline would be the beneficiary—east coast, west coast, gulf coast, the Great Lakes. Preservation of this heritage of the ages is no more essential for New Jersey than it is for the Nation as a whole.

THE PRESIDING OFFICER. The amendment of the Senator from New Jersey is withdrawn.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

MR. KERR. Mr. President, I yield 5 minutes on the bill to the Senator from Ohio [Mr. YOUNG].

THE PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

MR. YOUNG of Ohio. Mr. President, the gross national product is at an all-time high. Personal income is rising. Most of the economic indicators are favorable. Many of our citizens are enjoying the fruits of an affluent society. To most people "everything's coming up roses."

Yet there are too many weeds of unemployment in the rose garden of our economy. President Kennedy has singled out the task of finding jobs in an

era of automation as the gravest domestic challenge of the 1960's.

A clue to our President's concern is found in some statistics recently published by officials of the Department of Labor. These statistics clearly indicate that the current recovery in production has yielded the fewest additional jobs of any recovery in the postwar period. Moreover, these statistics show that each of the four postwar recoveries has had increasingly less power to expand jobs.

The simple fact is that it is taking fewer and fewer people to produce more and more goods. Men are losing their jobs to machines. These are statistics. But unemployment is not a statistic. Unemployment connotes human beings in distress. It is borrowing money and going hungry. It is anxiety and broken homes. It is juvenile delinquency. It is workmen watching television all day because the factory is closed and there is no work.

Mr. President, I shall not dwell on the misery, suffering, and loss of dignity which is the lot of the unemployed worker and his family. The unemployed worker cannot eat our sympathy. He wants the opportunity to work and earn a fair day's pay. Involuntary unemployment is a great moral wrong.

We must act quickly if we hope to avoid an ever increasing "hard core" of chronically unemployed. In the next decade the number of youth entering the labor force will increase by almost 50 percent. Automation and technological change will also increase. Unemployment will rise unless strong measures are taken now to provide jobs for the increase in manpower.

Unemployment is a national problem. Every section of this country has suffered in one way or another from the effects of unemployment and the resulting decrease in purchasing power. My own State of Ohio is suffering with some 260,000 currently unemployed. This represents 6.7 percent of the labor force. The hardest hit communities are usually those with the fewest tax resources. Community leaders in these distressed areas all agree on the need for national assistance.

There is no single cause nor any simple remedy for the unemployment problem. It is a problem resulting from complex forces, and I suppose we shall always have some unemployment. But, we can and we must provide legislation which will drastically reduce this number of unemployed.

We have made some progress in this direction but much still remains to be done.

A distressed areas bill has been passed and the area redevelopment agency has been set up. I consider this bill to be good sound legislation. As usual, the bureaucrats are dragging their heels and retarding the good intent and effect of this bill. In the State of Ohio we have 14 areas of substantial unemployment. To date not one single area loan has been granted.

Another bill was passed which authorized a 14-month program permitting the States to give aid to the children of needy unemployed persons who are not

eligible for assistance under the federally supported program. This bill fulfills a great need and should be made a permanent part of the program.

The Manpower Development and Training Act will provide training for over one-half million people during the next 3 years. We must take steps to insure that the administration of this bill is effective.

We cannot rest on our laurels and be content with what has been done. Automation is expanding at an increasing rate. Every week 25,000 young people enter the labor market. Jobs must be found for them and for those older people who have been displaced by automation. In the next 10 years, 26 million young people will enter the labor market. It is expected that 7½ million of these will not have completed school. They will be untrained for anything at a time when the demand will be for skilled workers.

In order to respond to these needs, we must continue our efforts to accelerate the growth of the general economy of the United States. Rosy answers for the future are no substitute for thought and effort. They do not put bread on the table or money in the pockets of American working men and women.

There is a need for this legislation authorizing a public works program. There are a large number of public work projects gathering dust. These projects are desperately needed in various communities throughout the country. There is no reason why these projects should not be undertaken in times of high unemployment.

President Kennedy is asking for a \$600 million public works program. This program would extend through fiscal 1964. It would be operative in areas which have been designated as areas of substantial unemployment.

Funds would be allocated both for Federal public works projects and for grants and loans to States and communities. Grants to States and communities could be for as much as 50 percent of the cost of a project. The program would also make loans available to those communities which would otherwise be financially unable to meet their share of project costs.

Projects would be limited to those which could be initiated within a reasonable period of time and could be completed within 12 months after initiation.

These projects would not create a new crop of bureaucrats. Federal projects could not be initiated other than those which are presently authorized by Congress. Most of the work would be performed by private employers and contractors.

So-called leaf-raking and other make-work activities would not be authorized under this program. These would be projects such as construction of hospitals, roads, airfields, port facilities and public buildings. Conservation activities to improve our public land, water, timber, and natural resources would be part of the program. Badly needed laboratories, research and training facilities would be built.

In hundreds of localities throughout the country jobs will be created. In

addition to the primary employment opportunities this program would create, there will be secondary employment effects as local economies are stimulated.

In the last analysis, the deepest cuts in the unemployment rolls will be made by strong increases in economic demand. This public works program will go a long way toward stimulating demand and at the same time easing "hard core" unemployment.

This bill contains safeguards to insure that the work can be initiated promptly, that it will result in a real addition to our country's facilities and resources. Furthermore, it is work that will be performed at a time when it will do the most good.

The ultimate test of our economic system is its ability to provide employment for our people. Unless we move quickly to deal with the new age of change, we may fail this test.

Surely our American know-how which is capable of developing the fantastic machinery of this new industrial age is also capable of devising means to turn it to our advantage and to realize from it an age of economic plenty, not an age of economic catastrophe.

We must go forward to hasten the time when every American will have an opportunity to share in the productive effort of our economy and to claim a share of that which is produced.

Mr. DIRKSEN. Mr. President, I yield now to the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, if I felt that a depression were inevitable or unavoidable, I would gladly vote for the authorization of appropriations totaling \$1,500 million with which to combat it. In fact, I would be willing to vote for a much larger sum, if necessary, in order to prevent a depression.

But in urging this bill upon the Congress, it appears that the administration believes that the inevitability of a depression has already been established. I do not agree with that premise, because I do not believe we need to have a depression within the next 2 or 3 years.

But one way to create a depression is to accept it and predict it. I believe that when this measure is passed—and I expect the Senate to pass it—it will be all that will be needed to convince the people of the country that a depression really will be lying ahead of them.

But the administration can prevent a depression if it desires to do so. It can restore much of the confidence which has been lost as a result of various measures which the administration has proposed and has requested Congress to enact.

Last Friday the Senate passed a measure called the omnibus farm bill. That bill might better have been called a bill to promote unemployment in the United States, because I cannot think of any measure which could do more to promote unemployment and to bring on recession or depression than a bill which would cut down on the work being done at this time on our farms.

If the House of Representatives were to pass the farm bill and if the bill were to become part of an official program, it would adversely affect the employment of thousands of persons who are working in fertilizer factories, and in plants engaged in manufacturing spraying materials, and in plants engaged in manufacturing farm machinery, including tractors and other types of machinery used on the farms. It would also adversely affect those employed in plants manufacturing trucks and tractors and those employed by the producers of lubricating oil and gasoline used to operate the trucks and tractors. The farm bill would have an adverse effect on workers all over the Nation—those in processing plants, those employed in stores, those employed in banks, and those employed in wholesale and retail establishments. The bill would also have an adverse effect upon rural merchants and rural banks all over the Nation.

I wish the administration had recognized that fact. However, if the bill were to become law, the people on the farms would not take the brunt of the adverse effect of that legislation. The people in the cities would be the ones who would take its full force.

That bill has not yet become law. I believe the House of Representatives will probably begin to take it up in the next 2 or 3 weeks. The House of Representatives might reject the bill. If so, that action would help greatly to ward off a pending depression.

At any rate, I think it would be short-sighted of Congress to accept the inevitability of a depression and of the unemployment which would accompany it, and also the loss of investments and all the other evils which would accompany a depression.

Furthermore, if we have a depression, the \$1,500 million which the President is requesting would not be a drop in the bucket in terms of the amount of money needed to combat it.

However, for less money we can go far toward preventing a depression and its attendant evils.

As I have indicated, I would be willing to vote in favor of appropriating almost any amount of money which could effectively be used to combat a depression, once it started, or to prevent one from occurring. But I cannot vote for a bill which would put the stamp of approval of Congress on a belief that we must have a depression. Therefore, on the question of the passage of the pending bill, I shall vote "nay."

Mr. CLARK. Mr. President, will the Senator in charge of the bill yield 3 minutes to me?

Mr. KERR. I yield 3 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the bill on which the Senate is about to vote—and I hope the Senate will pass the bill—was originally introduced in the Senate on March 8, 1962, by me, on behalf of myself, the Senator from Minnesota [Mr. McCARTHY], the Senator from Rhode Island [Mr. PELL], and the Senator from West Virginia [Mr. RANDOLPH]. This is the latest of a series of bills which resulted from the hearings held in 1959 by

the Special Committee on Unemployment Problems, whose chairman was the Senator from Minnesota [Mr. McCARTHY]. From that committee came a recommendation for a bill of this sort. I am very happy to note that what the Senator from Minnesota [Mr. McCARTHY] recommended in 1959 will finally be passed by the Senate in 1962.

Mr. President, the bill before us authorizes two programs of public works—an immediate program, and a standby program. I wish to discuss each of these briefly, and I will begin with the standby program because this was the original proposal to which the immediate program was added as an amendment.

The idea of a standby public works program originated in the work of the Special Senate Committee on Unemployment Problems, which my colleagues will recall was created in September 1959, at a time when the country was pulling out of the third of the three economic recessions which had occurred since the end of World War II. This committee, which was headed by the distinguished junior Senator from Minnesota [Mr. McCARTHY] and on which I had the privilege to serve, was instructed to inquire into all aspects of the unemployment problem—including cyclical, structural, and frictional unemployment, with particular attention to those areas of the Nation where the unemployment problem was most critical.

The committee's report, which was submitted to the Senate on March 23, 1960, was, I am sure, the most comprehensive analysis of the problem of unemployment ever undertaken by any committee of either House of the Congress. The report was based not only upon extensive hearings conducted in Washington and in 12 of the 50 States but upon a series of scholarly papers prepared for the committee by some of the Nation's leading experts on the nature, causes, and solutions of the unemployment problem.

In its consideration of cyclical unemployment the special committee reviewed the experience of the country during the recessions of 1949, 1954, and 1958. It was our conclusion that if the Government had adopted timely and effective fiscal measures, including emergency public works, it might have reversed those economic downturns at the outset—or at least shortened their duration and reduced their severity, thus lessening the hardship suffered by individual families and the economic loss sustained by the whole Nation. But we found that in each of the three recessions governmental action was relatively ineffective and the recessions were, for the most part, allowed to run their course. The Council of Economic Advisers tells us that the economic loss resulting from these three recessions and the one of 1960-61 amounts to \$175 billion, or \$1,000 for every man, woman, and child in the country.

Why was governmental action so ineffective? Because no policy and course of action had been agreed upon and no plans and preparations had been made, ahead of time, so that we could act

promptly and decisively when the necessity was upon us.

The key to the effective action is that one word, "prompt." It has been our experience, that, when the economy begins to slide, the slide continues for 9 to 12 months before the bottom is reached and the recovery begins. If we are to stop the downward course, obviously we must act just as soon as it becomes clear that we are headed downward. If we spend 9 to 12 months watching and waiting, or debating what we should do, then the damage is done.

Yet that is exactly what has happened, in every case. Senators who were here in 1958 will recall the months of futile argument as to whether we were really in a recession, whether we should do anything at all and, if so, just what we should do. Eventually, we passed an emergency unemployment compensation act, expedited some Federal public works, and passed an emergency housing bill. But the total effort could be summed up in the old phrase, "too little and too late."

The Special Committee on Unemployment Problems concluded, therefore, that if effective counterrecession measures are going to be taken they must be decided in advance and incorporated in standby legislation which will take effect promptly and automatically at the critical moment when the economic downturn starts. The six majority members of the McCarthy committee accordingly cosponsored, in the 86th Congress, the first standby antirecession bill, the forerunner of the bill which is now before the Senate.

Since then, the Nation has gone through one more recession—the fourth since the end of World War II—and this experience has dramatically reinforced the conclusions of the special committee that legislation, if it is to be effective, must be on the statute books in advance. The downturn began in June of 1960, a month before the presidential nominating conventions. It was in August or September that the evidence that we were in a recession first became clear beyond doubt. That was the critical moment for counterrecessionary fiscal measures to be launched. But at that moment, as everyone knows, we were in the midst of a presidential campaign, the Congress was not even in session. Legislation of any kind was impossible. By the time the Congress had returned and the new administration was organized the recession had once more run its course. The damage was done and recovery was underway.

We cannot fulfill our responsibilities to deal with economic emergencies if we wait until those emergencies are upon us. As the President said in his message recommending standby legislation, the time to repair the roof is when the sun is shining.

This does not mean, as has been charged, that the Congress would delegate its legislative power to the President. In this bill the Congress authorizes a public works program and the necessary appropriations, through legislation, in the usual way. The appropriation will be sought, reviewed, and presumably

granted, in the usual way. All that is held in abeyance is the date upon which the funds become available; and this date is determined, not by the President, but by an automatic formula based upon the trend in unemployment. The President, if he feels that other economic data do not bear out the evidence contained in the unemployment statistics, can say, "I will not spend the money." But that is the extent of his discretion.

Based upon our postwar experience that recessions occur each 3 or 4 years, it is not out of the question that the next downturn may begin some time in 1963. Let us hope it does not. Let us hope that we have seen our last recession and that the ancient problem of the business cycle has been solved. In that case, this standby legislation can never be invoked. No good will have been done by enacting it, nor any harm. But just in case economic history repeats—and we would be foolhardy to say that this is not at least a possibility—then let us, for once, be ready. Insofar as public works are to be used as a counterrecessionary measure, this bill would make us ready, by enabling us to launch such a program at the earliest possible moment after the downturn occurs. The standby authority would become available at any time after June 30, 1963, which is about when the funds under this bill for the immediate program of public works—which I will now discuss—will have been exhausted.

The immediate appropriation for public works expenditures was recommended by the President on March 26 as an amendment to the standby bill. In making this recommendation, he emphasized that the recovery from the 1960 recession is still far from complete. While the national unemployment rate, seasonally adjusted, has declined from its peak of 7.0 percent in May of 1961, it still stands at 5.5 percent, which is far too high. It has been stuck at approximately this level for the past 4 months.

Just as public works are an appropriate means of checking an economic downturn, so are they useful as a device to speed recovery from a downturn in areas where the recovery is sluggish.

As the President pointed out in his letter of March 26 to the distinguished chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], our present problem is not a general recession but rather the persistence of unemployment in many communities despite the national economic recovery.

The President said:

Continued economic expansion for the Nation as a whole will in time help to restore the prosperity of many of these areas. But their needs are urgent now, and further help should not be delayed until another recession threatens the whole economy.

This measure would—

He said—

bring new public facilities, new jobs, and new hope to those communities whose economic troubles have resisted the rising tide of national expansion.

In the areas which would be defined as eligible for the immediate aid, unemployment is 40 percent higher than in

the country as a whole. In major areas of Pennsylvania, as I have told the Senate on numerous previous occasions, unemployment persists at 10 to 20 percent of the labor force because new economic opportunities have not expanded rapidly enough to offset the disastrous decline of employment in our coal and textile industries.

The Congress has passed two measures which will be of great help to our areas of unemployment—the Area Redevelopment Act, enacted last year, and the Manpower Development and Training Act, which was signed this spring. But these are long-range measures.

Mr. President, the bill has been vastly improved in the course of its consideration in committee and on the floor; and I believe we can congratulate ourselves on a first-class bill which meets the requirements of the committee and the requirements of the administration.

The need now—as it was then—is for jobs in various areas of chronic or persistent unemployment.

I congratulate the Senator from West Virginia [Mr. RANDOLPH], who worked so hard and so successfully to bring the bill to the floor and get it passed. Without his assistance, I do not know what we could have done.

I wish to pay tribute also to the Senator from Oklahoma [Mr. KERR], whose vast skill and experience in connection with the handling of bills on the floor has made it possible to bring the bill to a successful conclusion.

The need is for jobs now, to tide our workers and their families over until, through our long-range programs, we can build the new industry that will provide permanent employment.

The bill we are considering today will provide those jobs. It will provide them through expediting useful and necessary public works which will in themselves make our lagging communities more attractive to new industry. This is not boondoggling, I emphasize. It is not WPA. These are streets, waterworks, sewage treatment plants, public buildings, and other facilities which are desperately needed, have long been needed, and contribute in full measure to the welfare and growth of our communities.

At the same time, the beneficial economic effects of the public works program will be felt throughout the whole economy. This bill will help to increase our national rate of economic growth and speed the day when we will achieve the "maximum employment, production, and purchasing power" which in the Employment Act of 1946 we pledged our country to attain.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. DIRKSEN. I yield 5 minutes to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, this bill represents a confession of failure by this administration to cope with our serious unemployment problem.

Passage of the bill by the Senate would mean that a majority of the Members of the Senate are either committed to a policy of fiscal irresponsibility, to an un-

willingness to match spending with revenue, or else they are unwilling to assert the independence of the legislative branch of the Federal Government of the pressure from the executive branch.

We have been told on the floor of this body today that the way to stimulate employment is to engage in the spending of millions of dollars for Federal public works projects—even at the cost of adding more billions to our national debt.

All of us would agree that there is room for a balanced Federal public works program in needed improvements. But I do not believe any of us should make room for increased, expanded, or accelerated public works spending if it means the dilution in the purchasing power of our money and the loss of confidence of our people in the Federal Government.

Early this year, the President of the United States promised the American people a balanced budget. He did so in the national interest, because it is in the national interest that the value of our money be preserved. This public works spending program was not included in his budget. Now he has come along and given us another urgent message asking Congress for this program; but nothing has been said about what should be cut out of his budget to make room for this. Promises of a balanced budget mean nothing. It is delivery that counts. Businessmen know this. Unless speeches are matched by deeds, confidence is lost. If we are to solve our unemployment problem, if we are to find sustained job opportunities for the millions of unemployed who are walking the streets looking for jobs and for the millions of the graduates from our high schools and colleges, it is to private business, and not to the Federal Government, that we must look for sustained job opportunities.

Continued deficit spending merely cuts down the purchasing power of our money. It causes workers to ask for increased wages because the purchasing power of their wages has been diluted. This in turn causes management to ask for increased prices to make up for the increase in the cost of doing business.

I ask unanimous consent to insert in the RECORD at this point in my remarks an article from today's Wall Street Journal entitled "Consumer Prices in April Rose to Another High."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSUMER PRICES IN APRIL ROSE TO ANOTHER HIGH—FURTHER GAIN SEEN IN MAY; 3-MONTH INCREASE IN INDEX EQUALS RISE ALL LAST YEAR—PORTENT OF INFLATION DOUBTED

WASHINGTON.—Average consumer prices in April rose to another record, and Federal officials forecast a further increase for May.

The Labor Department's index of consumer prices rose 0.2 percentage point in April to 105.2 percent of the 1957-59 average; the April rise was the third month-to-month gain in a row. The 0.7 percentage point increase in the index since January equals the rise for all of last year, when the price gauge went from 103.8 percent in January to 104.5 percent in December. The February and March figures also had been records.

Robert Myers, Deputy Commissioner of Labor Statistics, said he expects the May in-

dex to increase about 0.2 percentage point. However, he said, he did not think the increases in the index so far this year had any serious inflationary implications. "I think it's just an irregular jump in a period of long-time price stability," he said.

FORECAST STILL HOLDS

Mr. Myers said his earlier forecast that the price index for all 1962 would rise no more than 1.5 to 2 percent "still looks good."

"There is no likelihood that price increases over this year will exceed that," he added. "There is no pressing on capacity or supplies; there is no likelihood of shortages."

One factor helping to push up the April index, Federal officials believe, is the increase in the number of families buying second cars. Mr. Myers said he could provide no statistics to support this, but remarked that reports on consumer buying intentions show a growing number of persons planning to buy used cars as a second auto. The fact that used-car prices in April jumped sharply while new-car prices fell slightly also helps "lead us to this surmise," Mr. Myers added. Ordinarily, he said, the vigorous sales pace of new cars would seem to assure an adequate supply of used cars from trade-ins.

The price index for used autos rose to 113 percent in April, up 4.8 points from the previous month's index and up 12 points from the year-earlier level.

The strength of used-car prices helped push the transportation category of the index to 107.2 percent, an increase of 1.3 points from the previous month's index and the sharpest advance since October 1959. Prices of gasoline and the cost of public transportation in some cities also rose. These increases, coupled with more-than-seasonal increases in prices for fresh fruits and vegetables, and gains in the costs of movies and medical care, more than offset price declines for poultry, eggs, fresh milk, fuel oil, and house furnishings.

PAY RISES TO RESULT

The April rise in the price index means wage increases for some 1 million workers whose contracts with employers call for periodic adjustment of wages based on increases or declines in the Government's cost of living wage. Some 800,000 autoworkers employed by Chrysler Corp., General Motors Corp., Ford Motor Co., and International Harvester Co. will get 1-cent-an-hour increases. Some 20,000 workers in the aerospace industry also will get a penny-an-hour raise as a result of the April increase.

About 40,000 additional workers in the aerospace industry whose hourly pay is adjusted on the basis of quarterly changes in the index will get 2 cents an hour more. The same increase will be granted 60,000 workers in the farm implement industry.

The Labor Department also reported that the aftertax pay and purchasing power of factory workers rose in April. For a factory worker with three dependents, weekly earnings after deductions, social security, and Federal income taxes averaged \$85.53 in April. For a factory worker with no dependents earnings averaged \$77.86. Both figures were up more than 50 cents from the March total.

Mr. MILLER. Mr. President, passage of this bill means that we are not going to pay attention to the past. Back in the 1930's we tried this same system for putting people back to work. The record shows that in 1940 the number of unemployed amounted to 8,120,000, as against about 4 million today. The unemployment rate was 14.6 percent, as against about 5.5 percent today. That was the situation before World War II bailed us out of the unemployment situation. What did we do in an effort to

cope with the unemployment problem of the 1930's? We spent almost \$6½ billion for public works; we hired 560,000 more people on the Federal payroll; we added an annual deficit in every year, from \$1 billion to \$4 billion. The remedy did not work then. It will not work now.

No wonder the stock market is going down; and if the stock market continues to go down, we shall have more unemployment, not less. What private business needs is confidence based on fiscal integrity practiced by the Federal Government.

While I know that a certain amount of blame can be placed on the White House for the failure to match spending with the promises of a balanced budget, the real blame lies on the shoulders of a majority of Congress who fail to match spending with revenue.

I hope the bill will be defeated.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. LAUSCHE. The Senator made mention of some cuts in the recommendation that would be used as a substitute for the expenditures proposed. We could save \$600 million by defeating the bill proposing to give \$600 million to local governments operating public transportation systems. But that will not happen. The \$600 million will be another expenditure that will add to the deficits and the mounting debt.

Mr. MILLER. I thank the Senator from Ohio. In response, I merely want to say that it seems to me the least we should expect from the White House is a statement of what items in the budget should be cut out to make room for these expenditures. I do not gainsay that this public works program might offer some temporary alleviation of the unemployment problem. If it is so important, why was it not put in the budget in the first place? If the White House did not know how important it was in January; and if it is important today, why has there not been a recommendation for something to be cut out of the budget to make room for this measure? To have a promise of a balanced budget in January and then a request for this spending, with no comparable cutback of other items, is meaningless. No wonder businessmen are discouraged.

Mr. President, I ask unanimous consent to have printed in the RECORD an excellent article by Henry Hazlitt, which was published in Newsweek for March 12, 1962, "Jobs by Inflation?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOBS BY INFLATION?

(By Henry Hazlitt)

The President has sent to Congress, accompanied by a letter urging its passage now, a predrafted "Standby Capital Improvements Act of 1962." The proposed law would give the President authority to spend \$2 billion on expanded public works programs whenever Government unemployment figures signaled a slump. Projects would be designed to create jobs, inject Federal money quickly into the economy, draw State and

local matching funds after it, and expand consumer purchasing power.

Congress is being asked, in effect, to transfer in advance part of its power of the purse to the President. The President's argument for having these standby spending powers is that, if a recession gave statistical signs of beginning, Congress would be incapable of acting soon enough. It is hard to see any force in this argument. In the event that statistics took the turn the President now contemplates, he could send an immediate emergency message to Congress on the day the discovery was made. If Congress were not in session, he could call a special session within a week. Congress could then act.

CONGRESS CAN BE QUICK

The President, therefore, must either think that Congress is incapable of acting promptly, or that it might not wish to do so. The historic record shows that the first assumption is not true. Congress has repeatedly declared war within a few hours after being asked to do so by a President. In the early weeks of the Roosevelt administration, in 1933, laws were often enacted within a day or two after they were proposed. On May 25, 1946, when President Truman asked Congress for authority to draft striking railroad workers into the Army, the House voted the same day to grant him the powers he had asked (an action fortunately later rescinded by the Senate).

If, however, the argument is that Congress may not wish to authorize the increased spending at the time when the trigger conditions envisaged by the proposed standby law occur, that is the best of all reasons why Congress should not enact a self-paralyzing law now. This is asking it to vote now not to trust its own future judgment, but to agree to be bound in advance to authorize an automatic response to a statistical barometer without knowing the full circumstances of a future situation.

If we turn from the political imprudence of the proposed law to its economic consequences, we find that it rests on all the old pump-priming fallacies—on the assumption that a net increase in jobs is always created by bigger deficits, achieved either by more spending or by cutting taxes—on the assumption, in other words, that more jobs can always be created by injecting more money into the economy—in plainer words, that the total number of jobs can always be increased by more inflation.

KEYNESIAN FALLACY

This is the fallacy on which governments all over the world have been operating for the last generation, and especially since Lord Keynes built up an elaborate rationale for it in 1936. Those who believe in it forget that heavy unemployment has frequently occurred in the very midst of a major inflation. That increased deficit spending will bring on more inflation is practically certain; but whether it creates more jobs will depend on whether or not prices rise faster than wage rates and increase profit margins. The administration remains persistently blind to the effect of excessive wage rates in causing the unemployment of which it complains. Such wage rates, instead of being allowed to correct themselves, would under the proposed law be subsidized with Federal funds.

The only direct employment provided by the President's automatic pump-priming plan would be in the construction industry. But construction workers might be those in least need of subsidy. Today they earn an average of \$3.24 an hour, compared with an average of \$2.36 in all manufacturing and \$1.71 in retail trade.

Finally, the projects on which the \$2 billion would be spent would be projects dreamed up just to spend the money. For the inference is that if the unemployment

thermostat did not hit the trigger levels, we could get along without the projects.

Mr. DIRKSEN. Mr. President, I yield myself a few minutes.

I suppose every Member of the Senate takes account of the figures released by the Economic Advisers relating to the gross national product. The last figure I saw was certainly the top in gross national product. Frankly, I do not understand the drift in the country in the face of the gross national product index. Certainly, the Congress has not been wanting in giving the administration virtually every assistance to keep the country going ahead.

It will be remembered that at the end of the session last year, a little conference took place in Georgetown. Theodore Sorenson, of the White House staff, went to talk with a selected group of newspapermen. It became an open secret, and it was at that meeting that they distributed this document. I do not know. I have a rather dismal attribute of holding onto things, and then suddenly they pop up. Of course, it is an excellent document for a partisan discourse. I always hope that the partisan acids in my soul have become a little sweetened, that the bile is a little thinner, and that my sense of charity is a little more expansive; but then I come to reality, and I see this document, as if it fairly crept into my hands.

On page 2 of title 2 it is stated: "This session's major accomplishments—A. To combat the recession."

These are not my words. This document was compiled at the White House.

Under the item to combat the recession was listed, "Temporary unemployment compensation extension." Then comes the boast, "Passed 63 days after taking office."

"Aid to dependent children of unemployed." "Area redevelopment."

We remember that. It was to create jobs. It is said, "Most comprehensive bill ever offered, and the first to pass." That is not my boast. That is the administration boast.

"Social security amendments," it is said "included first reduction in male retirement age (62)."

That is what was advanced to combat the recession.

I learned long ago that when one takes credit for the rain, one must take the blame for the drought, also.

We next go to the lush title, under B, "To Get This Country Moving Again."

Senators have heard that before, I am sure. What is listed?

First is "Housing." What is said? This is not the language of the minority leader. I did not put this on the paper. It is said: "The most most comprehensive housing program in congressional history."

I thought that when Congress authorized the most comprehensive program in history, it would add up to some jobs.

"Major expansion of urban renewal, public housing, housing for elderly, college housing."

I thought that would add up to jobs, to "growthmanship," and to the forward push. I am almost inclined to believe that after all this they have gone in for

"shrinkmanship" instead of "growth-manship."

"First major middle-income housing, low interest, 35-year loans."

Senators will remember that when we started, the program was nothing down and 40 years to pay, until we modified the proposal.

"First private low-income housing—3 percent down payment—first aid to local mass transit." Does that mean jobs or not?

"First protection of open spaces in urban areas." That was the \$100 million item. I got it cut in two, I think, with an amendment. I forget how much was finally salvaged. My efforts were not entirely successful.

But one must have building materials to do this—stone, cement, masonry, lumber, and all the rest. The material must be brought from its source. It must be articulated, in the form of dwellings and buildings.

Who will say that we were wanting in providing all that was necessary to build up the "growthmanship"?

Then there was "water pollution control—5-year doubling of program to benefit 5,000 communities." That is a large number of communities.

"Minimum wages."

"Space—authorized effort for moon trip and beyond."

The mean average distance of the moon from the earth is 238,857 miles. That is not enough for the New Frontier. They would go beyond the moon. I do not know how many jobs there are in that program, but certainly we have spent a great deal of money on space.

"Community health facilities—nursing homes for aged, hospital rehabilitation, community services for the aged."

All of that ought to spell itself out in terms of jobs.

"Agriculture."

I ask my friend from Vermont to listen to Mr. Sorenson's language. He wrote:

The best farm income year since Korea.

One would think there was prosperity out on the plains, where people till the soil.

"Emergency feed grain program—reduction in acreage 3 times larger than best prior year."

Everything is big. Everything is gargantuan. Everything is gigantic. Everything is colossal. This is the space age. Should it not be so?

"Omnibus farm bill."

I ask Senators to listen to the language of Mr. Sorenson:

Most comprehensive since 1938.

That is 24 years ago, and that is pretty comprehensive.

"Expanded use of marketing orders"; "first wheat and feed grain programs"; "school milk"; food for peace increased"; "savings to taxpayers estimated at \$800 million."

Consider what they had with which to build homes. Look what they had to spend for consumer goods.

Then there was "Cape Cod National Park," the "first major addition to the national park system."

In the field of defense there were missiles, aircraft, and vessels; a doubling of

the Polaris program, an increase of Minuteman and other missiles, an increase of bomber alert, and a strengthening of conventional and guerrilla warfare capacity. It is said "appropriations added \$6 billion, or 14 percent to Eisenhower budget."

Why is it that 14 months after the New Frontier came into power, with all that authority, and other authority still requested, and a \$92½ billion expenditure budget, which will be infinitely larger before the Congress concludes its session—we have stood still? Do Senators deny that we have stood still? Why is this anticipatory bill before us this afternoon, for \$1.5 billion? As was pointed out, the \$750 million cannot come into play until after July 1, 1963. That will be more than a year hence.

Are they anticipating, as our distinguished friend from Vermont said, some recession? Are they anticipating difficulties? Are they anticipating that the revenues will not be all they had hoped for? I do not know.

Mr. President, I do not like to approach the future with a sense of defeatism in my soul. I merely point out, from Mr. Sorenson's own outline of accomplishments—which we have to take in stride and to rebut if we can—that they should have done infinitely better.

Obviously I am willing to let the conditions—the gross national product, the unemployment quotient, and everything else—finally speak for themselves, because they will do so no matter what feeble words I may utter for or against the measure before the Senate.

For myself, I cannot vote for the proposal which is before the Senate. I can only hope, when we talk about little projects, that perhaps some of them will be durable.

An editorial was published in the Washington Post and Times Herald some time ago. I think I have it in my papers, if I can lay my hands on it. That is another one of those saving habits which stays with a person.

The title was "WPA All Over Again." That was the writer's first estimate of the program to spend \$25 million this fiscal year, \$350 million the following fiscal year, and \$225 million the next fiscal year. In the 38 areas which were to be touched, it figured out about \$8.68 per head. That will not be much of an impact upon the forward push and the forward thrust of the country.

I earnestly hope—for the country, for the Congress, and for the President—that we shall not go down that agonizing pathway again. I remember only too well the CWA, and the glorified leaf-raking program. I remember only too well the WPA, and the expenditures under the very skillful direction of Mr. Hopkins. But where is that program? What was durable about it? I would like to know.

Oh, what a disservice we shall render to the country if we go down that drain again and have nothing to show for it.

I fairly insulted a Member of the House years ago when we were discussing all this. I had clipped a little item from the Reader's Digest.

In turn the Reader's Digest had obtained the article from a country news-

paper in a little town in Colorado. There was a repetition of a headline that appeared in a high school paper. The senior class was entitled to publish the last edition of that paper. Some imaginative young soul had composed for the headline that day, "WPA, Here We Come." I hope not. So, Mr. President, I cannot vote for the bill.

Mr. KERR. Mr. President, I yield 3 minutes to the distinguished majority leader, the Senator from Montana.

Mr. MANSFIELD. Mr. President, today we heard the President blamed for the decline in the stock market. We heard allegations made that he is seeking a great deal of personal power, far more than any other President has ever sought. We heard our distinguished friend, the minority leader, look back to the WPA of the 1930's and look forward scornfully to the moon and beyond.

I think we ought to remember that the roll of accomplishments called by the distinguished minority leader is a true and accurate list of the accomplishments of the present administration in its year and 4 months in office. I point out that in the adoption of those measures the Senator will find that there were many, many Republican votes; and that on occasion it was Republican votes which helped to pass legislation proposed by a Democratic President of the United States; and I commend those Republicans who have assisted us in those endeavors.

Pretty soon we shall vote on the public works bill. I think that despite the few flurries we have had here today, the Senate is to be commended for its perseverance, and most especially the members of the Committee on Public Works under the able chairmanship of the distinguished Senator from New Mexico [Mr. CHAVEZ].

The author of the bill, the Senator from Pennsylvania [Mr. CLARK], who was joined by the Senator from West Virginia [Mr. RANDOLPH] and others, performed a great service in deciding that the bill should be referred to the Committee on Public Works. I am delighted also that the distinguished minority leader was able to bring together the manager of the bill, the distinguished Senator from Oklahoma [Mr. KERR], the ranking minority member, the Senator from South Dakota [Mr. CASE], and the Senator from Hawaii [Mr. FONG], the Senator from Kentucky [Mr. COOPER], the Senator from Vermont [Mr. PROUTY], and others in his office so that ways and means of considering the proposal, and alternatives to it, could be thought out and considered.

I believe that there has been a great accommodation between the proposals advanced by the Republicans on the committee, on the one hand, and the Democrats on the other.

The bill is a good one because it marks an accommodation on the part of Senators who look at the proposal from divergent views.

The bill is not in the form in which it was originally introduced. It is the handiwork of the Senate as a whole, and most especially the members of the Committee on Public Works, both Democrat and Republican. The Senator from

Oklahoma has shown his usual superb generalship in managing the bill today.

No one knows what the result will be until the votes are counted. But I think that the Senate has performed a great service in defining some basic issues.

We put in a fairly long period of work today. We have arrived at what I consider to be a reasonably good accommodation. I expressed the hope that the labors of the Committee on Public Works especially would be rewarded and that the bill would reach passage this evening. It is a progressive and important measure, and can go far, I believe, toward providing employment for many Americans, toward reviving the economies of distressed areas, and therefore toward bolstering the confidence of the people in the vitality of our system.

Mr. KERR. Mr. President, I yield myself 2 minutes.

I thank every Member of the Senate who has contributed to bringing the bill to its present stage. I know no one more delightful or charming than the distinguished minority leader. I wish he were a member of the Committee on Public Works. I believe if he were, he would join the group of his colleagues on that committee who, through the years, have worked so effectively and constructively with the Democratic members in maintaining a very fine record of bipartisan effort.

There has been more division on the bill than on all of the bills reported out of the Public Works Committee since I have been a member of the committee.

But if men will look carefully they will find that in reality there was a great deal of resemblance between the substitutes offered by the minority Members and the bill as it is now before the Senate, the major difference being the triggering of an additional authorization in the fiscal year beginning July 1, 1963.

I thank my distinguished colleagues on both sides of the aisle for the contributions they have made. I hope that now that we have reached this point, we might agree that this piece of proposed legislation could become the result of a bipartisan vote in the Senate, as has been the case on every bill handled by the Committee on Public Works since the Senator from Oklahoma has been connected with the committee.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute. I concur in everything that the distinguished Senator from Oklahoma said. I pay him the compliment of being a great and assiduous leader of that committee. I know the harmony that has prevailed. At the same time I pay tribute to every minority member of that committee. Never have I seen them work in concert so well and isolate and identify issues that should have been presented to the country. So I share the sentiment uttered by the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. Do both sides yield back the remaining time?

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

Mr. KERR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having

been read the third time, the question is, shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader if he will announce the program for tomorrow, because I believe most Senators will leave after the vote on the bill.

Mr. MANSFIELD. Mr. President, in response to the question raised by my friend, the distinguished Senator from Illinois, I ask unanimous consent that tomorrow, at the conclusion of the routine morning business, the Senate proceed to the call of the measures on the calendar to which there is no objection, beginning with Calendar No. 1452.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is the intention of the leadership, after consultation with the distinguished minority leader, to adjourn tonight until tomorrow to consider items on the calendar to which there is no objection. There will be no votes tomorrow. It is then the intention to go over until Friday, at which time there will be a pro forma session, with no votes.

In the meantime I shall discuss with the distinguished minority leader whether we should return for business either on Monday, a week from today, or on Tuesday, a week from tomorrow.

Mr. DIRKSEN. I thank the Senator.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS

The Senate resumed the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEALL (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HICKEY], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Sena-

tor from Georgia [Mr. TALMADGE], are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG], are necessarily absent.

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Massachusetts [Mr. SALTONSTALL].

If present and voting, the Senator from Alaska would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Kansas would vote "nay."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Colorado [Mr. ARLOTT]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Mississippi [Mr. STENNIS] is paired with the Senator from Alaska [Mr. BARTLETT]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Alaska would vote "yea."

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], and the Senator from Washington [Mr. MAGNUSON], would each vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from Colorado would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ARLOTT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from California would vote "yea" and the Senator from Indiana would vote "nay."

On this vote, the Senator from Colorado [Mr. ARLOTT] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Missouri would vote "yea."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Missouri would vote "yea."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Alaska would vote "yea."

The result was announced—yeas 44, nays 32, as follows:

[No. 76 Leg.]

YEAS—44

Anderson	Hartke	Monroney
Bible	Hayden	Morton
Burdick	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Case, N.J.	Johnston	Pastore
Chavez	Kefauver	Pell
Clark	Kerr	Randolph
Cooper	Long, Hawaii	Russell
Dodd	Long, La.	Smathers
Douglas	Mansfield	Smith, Mass.
Engle	McCarthy	Williams, N.J.
Fong	McGee	Yarborough
Gore	McNamara	Young, Ohio
Hart	Metcalfe	

NAYS—32

Aiken	Hickenlooper	Prouty
Bennett	Holland	Proxmire
Boggs	Hruska	Robertson
Bush	Jordan	Scott
Byrd, Va.	Keating	Smith, Maine
Case, S. Dak.	Lausche	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Wiley
Dirksen	Mundt	Williams, Del.
Dworshak	Murphy	Young, N. Dak.
Goldwater	Pearson	

NOT VOTING—24

Allott	Eastland	Long, Mo.
Bartlett	Ellender	Magnuson
Beall	Ervin	Morse
Butler	Fulbright	Saltonstall
Capehart	Gruening	Sparkman
Carlson	Hickey	Stennis
Carroll	Hill	Symington
Church	Kuchel	Talmadge

So the bill (S. 2965) was passed, as follows:

S. 2965

An act to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Standby Public Works Act of 1962".

FINDINGS AND PURPOSE

SEC. 2. The continuing policy and responsibility of the Federal Government is to use all practicable means, consistent with other essential considerations of national policy, to promote maximum employment, production, and purchasing power. The Congress finds that there have been periodic intervals when severe unemployment and loss of production and purchasing power have occurred and that repetition of these periods of severe unemployment and loss of production and purchasing power can be avoided, or their impact lessened, by prompt remedial action by the Federal Government as authorized in this Act. The Congress also finds that virtually every community in the Nation has a backlog of needed public works projects, and that an acceleration of these projects will not only increase employment and expenditures at a time when such action is most urgently required, but will also meet longstanding public needs, improve community services, and enhance the health and welfare of the citizens of the Nation.

It is the purpose of this Act to provide standby authority which will enable the President to take quick and effective action to stimulate the economy by inaugurating a program of needed public works when unemployment indicators and other economic data clearly reveal that extraordinary action is needed to assure achievement of the objectives stated above, and to provide the President in such period with authority (1) to immediately increase expenditures for direct Federal programs of public works previously authorized by law, and (2) to

furnish an incentive to State and local governmental bodies to accelerate their public works programs through the initiation of projects which can be begun promptly and completed over a reasonably short period of time. It is the further intent and purpose of the Congress that departments and agencies of the Federal Government shall make advance plans for public works projects that will enable them to act promptly when the President initiates the program authorized by this Act, and that the Federal Government shall assist and encourage the States and local governmental bodies, under the provisions of existing law, to make advance plans for public works projects.

In addition, the Congress finds that (A) certain communities and areas of the Nation are presently burdened by substantial unemployment and underemployment and have failed to share fully in the economic gains of the recovery from the recession of 1960-1961 and (B) action by the Federal Government is necessary, both to provide immediate useful work for the unemployed and underemployed in these communities and to help these communities, through improvement of their facilities, to become better places in which to live and work. It is the intent and purpose of the Congress to provide for an immediate program of assistance for capital improvements in those areas.

STANDBY PUBLIC WORKS ACCELERATION AUTHORITY

SEC. 3. The President is authorized after June 30, 1963, to proclaim a public works acceleration period and exercise during such period the powers conferred upon him by this Act. Such public works acceleration period may be proclaimed—

(1) within sixty days after the date when data compiled and published by the Department of Labor reveal that the national unemployment rate adjusted for seasonal variations and stated to the nearest one-tenth of a percent of the civilian labor force has risen by 1.0 percentage point over a period of nine months or less, but not less than three months;

(2) if on such date, according to such data, the total number of unemployed amounts to at least 5 per centum of the total number in the civilian labor force, with adjustments for seasonal variations; and

(3) after the President has determined that existing employment and unemployment indicators and other available economic data clearly reveal that extraordinary action is needed to assure achievement of the objectives of this Act.

Such public works acceleration period shall begin on the day specified in the President's proclamation hereunder and shall terminate whenever the President finds and declares that the need for the program authorized by this Act no longer exists. Such public works acceleration period proclaimed by the President shall automatically terminate twenty-seven months after initiated unless terminated earlier as provided in the preceding sentence. No funds provided under section 10 shall be obligated after termination of such public works acceleration period.

ACCELERATION OF FEDERAL PROJECTS

SEC. 4. In addition to the authority otherwise available to him, the President, during the existence of the public works acceleration period, may for the purpose of this Act, direct the departments and agencies of the executive branch, under such rules and regulations as he may prescribe, to accelerate existing Federal public works projects and programs or to initiate new projects and programs already authorized by law. Any such department or agency may use for such projects and programs funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President.

ACCELERATION OF EXISTING FEDERAL GRANT PROGRAMS

SEC. 5. During the existence of the public works acceleration period, the President may direct the departments and agencies of the executive branch to make grants, upon application and under such rules and regulations as they may prescribe, to finance the initiation or acceleration of public works projects and programs for which Federal grants are authorized by the Congress and under the terms and conditions prescribed by the Congress: *Provided*, That no grant under this section shall be subject to any limitation in other laws with respect to the apportionment of funds, the time in which grants may be made, or the aggregate dollar amounts of grants for any prescribed purpose, project, or program: *And provided further*, That notwithstanding any limitation in other laws requiring a grant to be less than 50 per centum of the cost of undertaking or completing a project or program, in the case of any project or program of a State or local public body which qualifies under standards established by the President to apply uniformly to all similar areas, grants may be made to such State or local public body under the authority of this section which bring the total of Federal grants available for such project or program up to 50 per centum of the cost of undertaking or completing such project or program. For the purpose of this section the term "grant" shall be deemed to include a loan under part H of title VI of the Public Health Service Act. Any department or agency may use for projects and programs authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President.

GRANTS FOR PUBLIC WORKS PROJECTS NOT ELIGIBLE UNDER EXISTING PROGRAMS

SEC. 6. (a) During the existence of the public works acceleration period, the Housing and Home Finance Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to make grants to States, municipalities, and local public bodies to finance the initiation or acceleration of public works projects and programs which are not eligible for grants under other Acts of Congress.

(b) The Administrator may use for grants authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President.

(c) The amount of any grant made under the authority of this section shall not exceed 50 per centum of the cost of undertaking and completing the project or program for which the grant is made.

FEDERAL LOANS

SEC. 7. (a) During the existence of the public works acceleration period, the Housing and Home Finance Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to purchase the securities and obligations of, or make loans to, States, municipalities, local public bodies, and any private or public nonprofit organization or association representing any redevelopment area, as defined in the Area Redevelopment Act, which otherwise would be unable to meet their share of the cost of projects and programs for which grants have been authorized pursuant to sections 5 and 6 of this Act.

(b) All securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made

either directly or in cooperation with banks or other financial institutions through agreements to participate or by the purchase of participations or otherwise.

(c) No securities or obligations shall be purchased and no loans shall be made including renewals or extensions thereof which have maturity dates in excess of forty years.

(d) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half of 1 per centum per annum added to the rate of interest required to be paid on funds obtained for the purposes of this section as determined by the Secretary of the Treasury as provided under subsection (e) of this section.

(e) The Administrator may use for loans authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President: *Provided*, That funds obtained by the Administrator for the purposes of this section shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the preceding fiscal year and adjusted to the nearest one-eighth of 1 per centum.

IMMEDIATE AID TO AREAS OF SUBSTANTIAL UNEMPLOYMENT

SEC. 8. (a) In areas currently designated by the Secretary of Labor as having been areas of substantial unemployment in each of at least nine of the twelve immediately preceding months, and in areas currently designated as "redevelopment areas" pursuant to the Area Redevelopment Act, projects or programs otherwise authorized to be assisted under sections 4, 5, 6, and 7 of this Act may be assisted thereunder, with funds made available under this section, without regard to the provisions in those sections and section 3 requiring the proclamation and existence of the public works acceleration period. For the purposes of this section there is hereby authorized to be appropriated, to remain available until expended, the sum of \$750,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act, except that at least 10 per centum of any amount appropriated for the purposes of this section shall be used for such purposes with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act.

(b) The President shall prescribe rules, regulations, and procedures which will assure that adequate consideration is given to the relative needs of the areas eligible for assistance. In prescribing such rules, regulations, and procedures, the President shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

(c) In the case of those projects or programs of States or local public bodies which qualify under standards established by the President applying uniformly to all similar areas, if the President determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to sections 5 and 6 for a project or program in such area may be made to a State or local public body without re-

gard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof.

RESTRICTIONS AND LIMITATIONS

SEC. 9. The authority conferred by this Act shall be subject to the following restrictions and limitations:

(a) No financial assistance shall be made with respect to any project or program unless the project or segment of work, to be assisted under this Act—

(1) can be initiated or accelerated within a reasonably short period of time;

(2) will meet an essential public need;

(3) if initiated hereunder, can be completed within eighteen months after initiation, but not later than the termination of the public works acceleration period, or in the case of projects under section 8, not later than twenty-seven months after the date of enactment of this Act;

(4) will contribute significantly to the reduction of unemployment; and

(5) is not inconsistent with locally approved comprehensive plans for the jurisdictions affected, wherever such plans exist.

(b) In the choice of projects and programs, preference shall be given to areas within States in which unemployment is above the national average or in which family income is below the national average, but assistance shall not be limited to such areas, and not more than 12½ per centum of the aggregate funds provided for projects and programs pursuant to sections 4, 5, 6, and 7 of this Act shall be made available within any one State.

(c) Each department or agency administering financial assistance authorized by this Act shall adopt such rules, regulations, and procedures as will assure that no such assistance shall be made available to any State, municipality, local public body, or nonprofit organization unless such project or program for which the assistance is granted produces a net increase in the expenditures of the State, municipality, local public body, or nonprofit organization for public works projects approximately equal to the non-Federal contribution to the project or program.

(d) Not more than 30 per centum of the funds authorized to be appropriated by section 10 may be used to carry out the purposes of section 6. The same limitation shall be applicable to the funds authorized to be appropriated in section 8.

APPROPRIATIONS AUTHORIZED

SEC. 10. (a) There is authorized to be appropriated for expenditure after June 30, 1963, to remain available until expended, the sum of \$750,000,000 to carry out the provisions, other than section 8, of this Act.

(b) In carrying out such provisions at least 10 per centum of any amount appropriated pursuant to subsection (a) shall be used with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act.

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 11. Section 702 of the Housing Act of 1954 is amended by striking out in subsection (e) "July 1, 1961;" and the remainder of the subsection, and inserting in lieu thereof, "July 1, 1961; and such additional sums which may be made available from year to year thereafter."

LABOR STANDARDS

SEC. 12. All laborers and mechanics employed by contractors or subcontractors on projects and programs assisted under section 6 of this Act shall be paid wages at rates not less than those prevailing on similar con-

struction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. No such project or program shall be approved without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

DELEGATION OF POWERS

SEC. 13. The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall specify. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions. Nothing contained in this section shall authorize the President to delegate the power to proclaim or terminate the public works acceleration period.

DEFINITIONS

SEC. 14. As used in this Act—

(a) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(b) The term "local public body" includes public corporate bodies or political subdivisions; public agencies or instrumentalities of one or more States, municipalities, counties, or other political subdivisions of States; Indian tribes, and boards or commissions established under the laws of any State to finance specific public works projects.

(c) The term "public works" includes the construction, repair, and improvement of: public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; prisons, training schools and youth correctional facilities; public and nonprofit hospitals, rehabilitation and health centers, and other public health facilities; public refuse and garbage disposal facilities, water, sewage, sanitary facilities, and other public utility facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, libraries, museums, offices, laboratories, employee housing, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures.

(d) The term "project" includes a separable, usable feature of a larger project or development.

(e) The term "segment of work" means a part of a program on which the work performed can be separately identified by location and will provide usable benefits or services.

Mr. KERR. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to table was agreed to.

Mr. KERR. Mr. President, I again wish to express my deep appreciation to everyone who participated in the passage of the bill. I wish especially to pay

tribute to the distinguished senior Senator from New Mexico [Mr. CHAVEZ], the chairman of the committee, who, in spite of the fact that he was ill, participated in the hearings, during the deliberations on the bill, and in the voting on the bill today. He made a great contribution to our deliberations, as he has also done in setting the splendid record of our committee through the years. I wish to pay tribute to him and to each member of the committee whose contribution was so valuable and so effective in reporting the bill to the Senate and in its passage today.

I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. KIRWAN, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 2132. An act to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District;

H.R. 1348. An act for the relief of William Burnice Joyner; and

S.J. Res. 151. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the third division, Riverton Federal reclamation project, Wyoming.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CERTAIN CONSTRUCTION AT U.S. AIR FORCE PLANT NO. 74, WEST PALM BEACH, FLA.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of additional hydrogen, oxygen, and nitrogen storage dewars at U.S. Air Force Plant No. 74, West Palm Beach,

Fla.; to the Committee on Aeronautical and Space Sciences.

AMENDMENT OF ACT RELATING TO MUTUAL-AID PLAN FOR FIRE PROTECTION BY AND FOR THE DISTRICT OF COLUMBIA AND CERTAIN ADJACENT COMMUNITIES

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON REVIEW OF PROCUREMENT OF BW-1 TERRIER MISSILES BY DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of the procurement of BW-1 Terrier missiles by the Department of the Navy (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF REPAIR PARTS SUPPLY FOR ORDNANCE TANK-AUTOMOTIVE VEHICLES OF THE 8TH U.S. ARMY, KOREA

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of repair parts supply for Ordnance tank-automotive vehicles of the 8th U.S. Army, Korea (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF MAINTENANCE AND SUPPLY SUPPORT OF ARMY EQUIPMENT FURNISHED UNDER MILITARY ASSISTANCE PROGRAM FOR TAIWAN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of the maintenance and supply support of army equipment furnished under the military assistance program for Taiwan (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF SECTION 249 OF IMMIGRATION AND NATIONALITY ACT

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 249 of the Immigration and Nationality Act (with an accompanying paper); to the Committee on the Judiciary.

DEFINITION OF TERM "CHILD" FOR CERTAIN PURPOSES UNDER CIVIL SERVICE RETIREMENT ACT

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to define the term "child" for lump-sum payment purposes under the Civil Service Retirement Act (with an accompanying paper); to the Committee on Post Office and Civil Service.

FUNDS FOR COMPLETION OF INTER-AMERICAN HIGHWAY

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by a convention of Democrats of DeWitt County, Tex., in oppo-

sition to any plan to reduce the size of the National Guard; to the Committee on Armed Services.

A resolution adopted by the Commissioners' Court of DeWitt County, Tex., protesting against the plans of the Department of Defense to reduce the size of the National Guard; to the Committee on Armed Services.

A resolution adopted by the Commissioners' Court of Bexar County, Tex., favoring an investigation and hearing on the removal and transfer of the Air Radar Traffic Control Center from San Antonio to Houston, Tex.; to the Committee on Commerce.

A resolution adopted by the American Academy of Orthopaedic Surgeons, Chicago, Ill., protesting against the enactment of House bill 4222, to provide medical care for the aged under the social security system; to the Committee on Finance.

A resolution adopted by the City Council of the City of Norwalk, Calif., protesting against any amendment to the Constitution of the United States to provide a Federal income tax on income derived from public bonds; to the Committee on the Judiciary.

A telegram in the nature of a petition from the Department of Oregon Woman's Relief Corps Auxiliary of the Grand Army of the Republic, of Portland, Ore., signed by Isabell M. Beals, president, and Jeanette R. Greco, secretary, favoring the enactment of Senate bill 2250, to incorporate the National Woman's Relief Corps; ordered to lie on the table.

A resolution adopted at a convention of Democrats of DeWitt County, Tex., commending the President, Vice President, Senator YARBOROUGH, and Representative YOUNG in their efforts in causing America to move forward; ordered to lie on the table.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MANSFIELD (for Mr. FULBRIGHT), from the Committee on Foreign Relations, with amendments:

S. 2996. A bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes (Rept. No. 1535).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,
The following favorable reports of nominations were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

Frank Hammett Myers, of the District of Columbia, to be judge of the municipal court of appeals for the District of Columbia;

John J. Malloy, of the District of Columbia, to be judge of the municipal court for the District of Columbia;

Thomas D. Quinn, of the District of Columbia, to be judge of the municipal court of appeals for the District of Columbia;

Joseph C. Waddy, of the District of Columbia, to be associate judge of the municipal court for the District of Columbia, domestic relations branch;

John L. Newbold, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency;

John Joseph Gunther, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency; and

Edwin T. Holland, of Virginia, to be a member of the Advisory Board of the National Capital Transportation Agency.

By Mr. RUSSELL, from the Committee on Armed Services:

John H. Fagan, of the graduating class of 1962, U.S. Military Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant;

Thomas S. Althouse, and sundry other midshipmen (Naval Academy) to be permanent ensigns in the line of the Navy;

Ronald L. Daley (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the line of the Navy;

Raymond L. Belanger, and sundry other graduates from Navy enlisted scientific education program, to be permanent ensigns in the line of the Navy;

Walter M. Carl, and Robert M. Jones, graduates from Navy enlisted scientific education program, to be permanent lieutenants (junior grade) in the line of the Navy;

Franklin M. Barber, and sundry other Naval Reserve officers, to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy;

Alfred R. Bergstrom, Jr., and sundry other officers of the Marine Corps, for temporary promotion to the grade of first lieutenant; and

James M. Acklin III, and sundry other cadets, graduating class of 1962, U.S. Military Academy, for appointment in the Regular Army of the United States.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 3351. A bill conferring jurisdiction upon the U.S. Court of Claims to hear, determine and render judgment upon the claim of John J. Bailey of Orlando, Fla.; to the Committee on the Judiciary.

By Mr. WILLIAMS of Delaware:

S. 3352. A bill to amend the Act of August 24, 1935, in order to provide that payment of Federal taxes withheld from wages of employees be secured by performance bonds required by such act; to the Committee on Finance.

By Mr. SMATHERS:

S. 3353. A bill to authorize the Secretary of the Navy to enroll Carl Henrik Brodin in the Naval Reserve Officers' Training Corps; to the Committee on Armed Services.

By Mr. KEFAUVER:

S. 3354. A bill for the relief of the National Police Gazette Corp.; to the Committee on the Judiciary.

By Mr. SCOTT:

S. 3355. A bill to prevent the use of stopwatches, work measurement programs or other performance standards operations as measuring devices in the postal service; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. Scott when he introduced the above bill, which appear under a separate heading.)

By Mr. HAYDEN (by request):

S. 3356. A bill to provide for the maintenance and repair of Government improvements under concession contracts entered into pursuant to the act of August 25, 1916 (39 Stat. 535), as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTSON (by request):

S. 3357. A bill to amend section 3552 of the Revised Statutes, as amended, to provide that the proceeds from the distribution and sale of uncirculated coins shall be reimbursed to the appropriation from which the expenses of manufacture and distribution were paid; to the Committee on Banking and Currency.

By Mr. BIBLE (by request):

S. 3358. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the Inter-American Development Bank; and

S. 3359. A bill to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of Tenth Street, Southwest, for public parking; to the Committee on the District of Columbia.

By Mr. ANDERSON (for himself and Mr. SALTONSTALL):

S.J. Res. 192. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress; to the Committee on Rules and Administration.

PROHIBITION OF CERTAIN WORK MEASURING DEVICES IN POSTAL SERVICE

Mr. SCOTT. Mr. President, I introduce, for appropriate reference, a bill to prohibit the use of stopwatches and other work measurement programs in the postal service. I ask unanimous consent that a statement, prepared by me, relating to the bill, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3355) to prevent the use of stopwatches, work measurement programs or other performance standards operations as measuring devices in the postal service, introduced by Mr. Scott, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. Scott is as follows:

STATEMENT BY SENATOR SCOTT

The Post Office Department within recent years has instituted a series of orders that have caused the initiation into the Postal Service of several work measurement programs.

In January 1960, for example, there was installed a distribution guides system, or so-called guidelines, for counting the work of distribution clerks. As operated by the Post Office Department this system too often has appeared to the employees to have the characteristics of a speed-up system suggestive of the days of sweatshops.

While the Post Office Department assured employees that this system would not harm them in any way, there are too many cases where employees have been penalized for failing to reach a specified standard. Testimony before a Subcommittee of the House Committee on Appropriations revealed, for instance, that during the Christmas rush last December in Brooklyn a total of 14 distribution clerks were denied overtime because they had allegedly not met the minimum standards. Among the 14 there was one man who had been seriously injured on duty, and who had not as yet fully recovered from his injuries. Among the others were older employees who were unable to meet the standards.

There is also complaint that the system, among other things, has increased the amount of nightwork, and is sacrificing accuracy for speed.

Although the distribution guides system has been revised, it still calls for the application or guidelines for 1 week out of 4. Clerks, as a result, are sometimes under considerable tension which tends to create difficult morale problems. The system clearly has caused dissension and poor management-employee relations. Postal clerks are convinced that such statistical techniques for setting production standards are based

on false assumptions and, partly because they fail to take into account the human element, are neither accurate nor valid.

There is no question that this measurement system is hurting the morale and dignity of post office employees. It would seem, therefore, to be detrimental to the postal service.

The purpose of the bill I am introducing is to completely eliminate the guidelines system. By passage of the bill the Congress can evidence its trust in thousands of fine, cooperative, dependable, and loyal employees of the Post Office Department, who, in turn can be expected to respond to the necessity that they continue to cooperate in the efficient operation of the postal system.

PRINTING OF REVIEW OF REPORT ON FRENCH CREEK BASIN, PA. (S. DOC. NO. 95)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated February 23, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the French Creek Basin, Pa., requested by a resolution of the Committee on Public Works of May 12, 1950. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is ordered.

STRENGTHENING OF COMPETITIVE ENTERPRISE SYSTEM—EXTENSION OF TIME FOR BILL TO LIE ON THE TABLE

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Alabama [Mr. SPARKMAN], I ask unanimous consent that the bill (S. 3345) to strengthen the competitive enterprise system by assisting qualified small-business concerns to obtain leases of commercial and industrial property, where stringent credit requirements tend to exclude such concerns, by authorizing the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals under such leases, introduced on May 24, 1962, lie on the table up to and including June 15, 1962.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 28, 1962, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2132. An act to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District; and

S.J. Res. 151. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyoming.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery at the Devry Institute dinner at Chicago, Ill., on May 24, 1962, on the subject of the urgency of expansion in American technical education and finding the answer to dropouts.

Excerpts from address prepared by him for delivery over Wisconsin radio stations on May 26, 1962, reviewing the global food picture.

Excerpts from address prepared by him for delivery over Wisconsin radio stations on the weekend of May 26-27, 1962, urging new effort to brighten small business outlook.

TRIBUTES TO THE LATE SENATOR BREWSTER OF MAINE

Mrs. SMITH of Maine. Mr. President, earlier this year I made observations in the Senate concerning the untimely passing of former U.S. Senator Owen Brewster on Christmas Day, 1961. At that time I inserted in the CONGRESSIONAL RECORD several tributes paid to him.

As we approach Memorial Day, I wish again to place in the RECORD four newspaper historical tributes to him—tributes that have been personally selected by his widow and son. They are first, "Tributes to Brewster Are Worldwide" in the April 5, 1962, issue of the Eastern Gazette of Dexter, Maine; second, "Dexter Adds Share to Brewster Tributes" in the May 10, 1962, issue of the Eastern Gazette of Dexter, Maine; third, "Death of Brewster Ends an Era," by May Craig, in the December 26, 1961, issue of the Waterville (Maine) Morning Sentinel; fourth, "Brewster Stood for Republicanism," an editorial in the December 27, 1961, issue of the Portland (Maine) Press Herald; and fifth, "Memorial Service for the Honorable Owen Brewster" in Bowdoin College chapel, January 3, 1962, with address by President James S. Coles.

I ask unanimous consent that these tributes be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Eastern Gazette, Apr. 5, 1962]
TRIBUTES TO BREWSTER ARE WORLDWIDE—
MESSAGES TO FAMILY RECALL LITTLE-KNOWN INCIDENTS IN CAREER

Nearly a thousand heartfelt tributes to the late U.S. Senator Owen Brewster, have poured into his home on Zion's Hill, Dexter, during the period since his death on Christmas day. These messages have come from the great and the humble. They are still arriving. They include letters from three former Presidents of the United States.

These messages have come from every corner of the United States and from many foreign countries as well, including Nationalist China, Italy, Spain, the Philippines, France, and many others.

Mrs. Dorothy Brewster, the Senator's widow, and Charles F. Brewster, his son, who are coexecutors of Senator Brewster's estate, have released extracts from some of these messages for publication.

One of Senator Brewster's greatest political assets was his flair for dramatic timing.

He demonstrated this even in the timing of his birth and death. He was born on Washington's birthday, 1888, in the middle of one of the greatest snowstorms ever recorded in the United States which is still known as the "Blizzard of 1888."

He died on Christmas Day, 1961, when the world was beset by the political blizzards of the cold war. Senator Brewster's last message to the world is contained in a New Year's greeting card which he composed just before his death but never dispatched to his legions of friends who had sent him Christmas cards:

"Dorothy and Owen Brewster deeply appreciate your thought of them at this time. It has added much to the happiness of their holiday season. They wish for you and all mankind in this new year of 1962 and for many years to come, health and happiness and the peace of God that passeth all understanding." In effect, he wrote his own benediction.

PRESIDENT HOOVER

Senator Brewster served as Governor of Maine during the period 1925-29 when President Hoover was Secretary of Commerce in the Coolidge administration. During the time just before the 1928 Republican National Convention, President Coolidge had not made up his mind whether he would run for reelection and all of the other Republican candidates had to keep under wraps.

The Republican Party was being handicapped. The time was getting so short before the national convention that Mr. Hoover asked his good friend Governor Brewster to make a personal call on President Coolidge and try to get him to make a definite statement of intentions.

Governor Brewster proved equal to this delicate political task. The next day after the Governor's call at the White House, President Coolidge issued one of the most famous six-word statements in U.S. political history: "I do not choose to run."

Candidate-for-President Hoover selected Governor Brewster to present his candidate's idea on how to fight a depression to the National Governor's Conference during the summer of 1928. Governor Brewster campaigned vigorously in the South and helped carry four States from the solid South for the Republican Party in 1928, for the first time since the Civil War.

President Hoover and Senator Brewster remained close personal and political friends down through the years. President Hoover, now a venerable elder statesman of 87 years, wrote Mrs. Brewster from his Waldorf Astoria Tower home in New York City: "I was saddened to learn of the Senator's passing. He was a loyal and devoted friend of mine and I know his useful life to his community and to his country will be a consolation to you."

PRESIDENT TRUMAN

Although a lifelong Republican, Senator Brewster had a capacity to form intimate friendships with members of both political parties. As senior Republican on the Truman War Investigating Committee during World War II, he occupied the seat next to Senator Harry Truman, the chairman. They had adjoining offices in the Senate Office Building and they became close friends.

Senator Truman and the rest of the committee were guests in the Brewster home on Zion's Hill, Dexter. When Senator Truman became President and the Republicans took over control of the Senate, Senator Brewster became chairman of the Truman committee.

Mrs. Bess Truman and Mrs. Dorothy Brewster were active members together of the Senate Red Cross Ladies Club, the Congressional Club, and the 74th Congress Club.

Mrs. Charles Brewster and Margaret Truman were closely associated as members of the U.S. Senate Daughter's Club. When Perle Mesta gave one of her grandest com-

ing out parties in 1946, in honor of Margaret Truman, Charles Brewster, the Senator's son, then on duty as a major in Washington after the war, was one of the dance partners of Margaret Truman.

From Independence, Mo., where he was spending Christmas, President Truman wrote Charles Brewster in part: "I was sorry as I could be to hear of your father's death. He was my friend and I thought the world and all of him."

CHIANG KAI-SHEK

Senator Brewster always treasured his friendship with Generalissimo Chiang Kai-shek down through the years, particularly his personal visits with the generalissimo during World War II at Chungking and later at Formosa. Nationalist China had no stronger nor more loyal supporter than Senator Brewster, both while he was in the U.S. Senate and afterward. He revered the generalissimo as "the George Washington of China."

Mrs. Owen Brewster also had a close kinship with Madame Chiang Kai-shek because they are both Wellesley graduates. Mrs. Brewster's granddaughter, Betsey, is a sophomore at Wellesley majoring in political science.

Madame Chiang Kai-shek is an excellent painter. In December 1951, when the Brewsters visited the Chiang Kai-sheks at their home on Formosa, Madame stated that she had never given away a painting before but would like to make her first gift to the Brewsters. This typical Chinese landscape watercolor, with Madame's name painted in Chinese characters, now occupies a prominent place on the wall of the offices which Senator Brewster has maintained for 30 years in his home on Zion's Hill.

Since Senator Brewster's death, Mrs. Brewster has received a letter from Generalissimo and Madame Chiang Kai-shek, who stated: "We shall always remember your husband for his sterling qualities, his high principles, and his integrity. He was one of the few who understood the real menace of communism, and even as early as 1951, spared no effort in his attempts to make the evil known to his compatriots."

"We hope that when things are a little more settled, you will come and see us again. A warm welcome awaits you."

GEN. DOUGLAS MACARTHUR

When Gen. Douglas MacArthur was in Washington as Chief of Staff of the U.S. Army in the thirties, he developed a warm friendship with then Congressman Brewster.

In May 1942, Senator Brewster's son Charles, then an Army lieutenant, carried by air a letter from Mary MacArthur in Washington and made personal delivery to General MacArthur in his Melbourne, Australia, headquarters.

The trip by air to Australia was a dangerous one as the two planes ahead were lost and Lieutenant Brewster's plane had to fly through the middle of the Coral Sea Naval battle, the high-water mark of the Japanese advance southward, finally landing at Noumea, New Caledonia.

Lieutenant Brewster served for 6 months as a member of General MacArthur's headquarters staff, and received the Asiatic-Pacific Battle Star and the Presidential Unit Citation for the Papuan Campaign.

Charles Brewster received on January 4, 1962, the following letter from General MacArthur: "The death of your distinguished father was a great shock to all of us. I knew him for many years and held him in highest esteem and regard. The Republican Party lost a great leader in his death. I recall so pleasantly my contacts with you in Australia in 1942."

PRESIDENT EISENHOWER

In the fall of 1942, Charles Brewster returned to Washington, D.C., as a captain to

help plan and participate in the invasion of North Africa.

In Washington he had an interview with Mrs. Mamie Eisenhower at her home. She gave him a personal letter for delivery to General Eisenhower after the two officers had both landed in North Africa, General Eisenhower coming from England and Captain Brewster from the United States.

General Eisenhower first met Senator Brewster at a dinner party at his Algiers headquarters, which the general gave in September 1943, for the five U.S. Senators on their round-the-world inspection trip of military installations, the first and only such trip during the war.

Senator Henry Cabot Lodge, of Massachusetts; Senator Richard Russell, of Georgia; Senator Happy Chandler, of Kentucky, and Senator James Mead, of New York, were the other members of this group. Navy Lt. John Lodge, later Governor of Connecticut, and Captain Brewster, were assigned as special aids to the Senate committee, during their 2 weeks' stay in north Africa.

Captain Brewster served for 2½ years under General Eisenhower's command in the north African, Italian, French, and German campaigns, winning four battle stars.

WHITE HOUSE RECEPTION

When the war was over, Major Brewster had a reunion with General Eisenhower at the first White House reception given by President Truman. Major Brewster substituted for his father in escorting his mother and was the only officer present below the grade of lieutenant general or its equivalent.

The guests used a different White House exit from the one they came in. This was noted by General Eisenhower and as the reception broke up, General Eisenhower said: "Major Brewster, I'm lost. This isn't the way we came in. Will you please show me the way out of here." So, Major Brewster had the unique distinction of serving as reconnaissance officer in escorting General Eisenhower who had lost his way in the labyrinthian corridors of the White House, which he was later to occupy for 8 years.

President Eisenhower wrote Charles Brewster a warm personal letter in January 1962, from his vacation retreat in Palm Desert, Calif. President Eisenhower said he had read of Senator Brewster's death in the California papers and added: "I hope you will accept for yourself, and convey to your mother, the deep sympathy of Mrs. Eisenhower and myself."

VICE PRESIDENT NIXON

In 1950, Senator Brewster was chairman of the Republican senatorial campaign committee. He was instrumental in persuading to run and in helping to elect to the Senate a young Congressman from California named Richard Nixon, then only 37.

Senator Brewster became an intimate friend of Senator and later Vice President Nixon and was responsible for many of Nixon's visits to Maine.

Richard Nixon wrote Mrs. Brewster a condolence letter on January 2 from his Los Angeles law office in which he stated: "Mrs. Nixon and I were greatly saddened to learn of Owen's passing, and we want to take this opportunity to extend our deepest sympathy to you and your son. He will be greatly missed and long remembered by those of us who had the privilege of knowing him. I shall always be grateful for his unfailing friendship and wise counsel during the years I was in Washington."

JUSTICE HAROLD BURTON

Senator Brewster entered Bowdoin in September 1905, with the class of 1909. His college roommate was Harold Hitz Burton, of Newton, Mass., and the careers of the two men have presented extraordinary parallels.

They both graduated from Bowdoin College summa cum laude after election to Phi Beta Kappa. Both went on to Harvard Law

School where Brewster became an editor of the Harvard Law Review and formed an intimacy with coeditor Robert A. Taft, later Senator Taft, which continued until Taft's death in 1952.

Young Burton went to Ohio to practice law while Brewster joined the Portland office of Scott Wilson, who was later chief justice of the Maine Supreme Court.

Burton and Brewster early displayed a keen interest in government and public affairs. Both were elected many times to public office in their respective States. Finally, by the strangest of coincidences, these former roommates were reunited when both men were sworn in as first-term U.S. Senators, from Ohio and Maine, on the same day in January 1941. They sat side by side in the Senate for 5 years, during the Second World War, sharing the Nation's problems of the day. Senator Burton also served on the Truman committee with Senator Brewster and was appointed to the U.S. Supreme Court in 1945 by President Truman.

BURTON AND BREWSTER SONS

As a sequel to their father's careers, Charles F. Brewster, the Senator's son, was in the same class at Bowdoin College with Justice Burton's son, William. Charles and William were roommates at Appleton Hall and the Deke House, sharing the same rooms their fathers had before them.

Like their fathers, young Burton and young Brewster were both elected to Phi Beta Kappa, both graduated summa cum laude, both were 1937 commencement speakers, and both went on to graduate from Harvard Law School. William Burton married a Bangor girl, Nancy Connor, and is now a practicing attorney in Cleveland, Ohio, while Charles Brewster married a Dexter girl, Mildred Whitmore, and is an attorney in Bangor, where he has shared offices with his father for 15 years.

Justice Burton wrote Mrs. Brewster from his Supreme Court office in Washington, D.C.: "From the time that we were roommates in college until Owen's passing away, we enjoyed the complete confidence of each other, and I always felt safe in supporting Owen's position on any question of integrity and genuineness of his devotion to the interests of the country. His career was colorful and throughout his long public life he rendered great service to his community, State, and Nation. I feel his loss like that of a brother but I shall continue to gain inspiration from my past association with him," concluded Justice Burton.

MILLINOCKET AIR SERVICE

Senator Brewster's greatest satisfaction during the last year of his life, came from the successful legal battle which he and his son, Charles, fought on behalf of the town of Millinocket, against Northeast Airlines.

Together, the two attorneys drafted 100 pages of exhibits, conducted a 2-day hearing in Washington, in April, 1961, with 350 pages of testimony, and wrote 100 pages of briefs. Finally, 3 months before the Senator's death, the Civil Aeronautics Board hearing examiner rendered a 20-page written decision in favor of Millinocket, which ordered Northeast Airlines to resume scheduled airline service to the Millinocket airport.

During the course of this battle, Senator Brewster served as a member of Governor Reed's Air Policy Committee, and testified in Washington at the Northeast-Florida renewal hearing. The Senator also had a dramatic face-to-face encounter with Northeast President James Austin at a Maine State Chamber of Commerce meeting at the Bangor House in one of his last public appearances.

Senator Brewster was chairman of the U.S. Senate Air Policy Committee, and took an active interest all his life in everything connected with aviation.

Senator Brewster was for many years a leading member of the Senate Foreign Rela-

tions Committee. He made eight trips abroad to attend the annual sessions of the Interparliamentary Union, held each fall in a different country.

SPANISH AMBASSADOR

Senator Brewster became well acquainted with many of the leaders of foreign countries. Mrs. Brewster received the following telegram from Mariano De-Yturalde, the present Ambassador from Spain to the United States: "It was with a great sense of sadness that we learned of your dear husband's death. We Spaniards will never forget and shall always appreciate his continuing efforts in promoting good relations between your country and mine. I extend to you and your family on behalf of the Spanish Government and myself our deep sympathy in your great loss."

The present Spanish Ambassador to the United Nations, Senor Lequerica, an old friend of Senator Brewster's, sent a similar message from Bilbao, Spain, where he was visiting his family for Christmas.

The news of Senator Brewster's death on Christmas Day was flashed around the world and printed in newspapers of every important world capital.

ROME, ITALY, OBITUARY

Mrs. Constantine Brown, wife of the Washington newspaper columnist, wrote Mrs. Brewster from Rome, Italy, that she had read the obituary story in the Rome Daily American.

Mrs. Brown added this tribute in her letter: "I am forced to look back a few years to the Old Senate when Owen was among that wonderful crew of fighting men—I should say, militant patriots. And one of the finest and most devoted to our Nation was Owen. And even outside the Senate he was still pitching with all he had. He is not only the Nation's loss but a great loss to his many friends."

In the week following Senator Brewster's death, public statements of tribute were published in the press by every prominent political leader in the State of Maine, including Governor Reed and the entire congressional delegation, so there is no need repeating here the similar messages which each of these Maine leaders sent to the Brewster family in Dexter.

SPEAKER JOHN M'CORMACK

Representative JOHN W. M'CORMACK, of Massachusetts, Speaker of the National House of Representatives, took time out from his many duties in the week before Congress opened in January to send a two-page handwritten letter to Mrs. Brewster to pay respect "to your beloved and distinguished husband whose friendship I valued very much."

A host of other national political figures of both parties who were friends of Senator Brewster have sent messages of tribute to Dexter.

These include former Speaker of the House of Representatives Joseph Martin, of Massachusetts, who was many times a visitor at the Brewster home in Dexter; Senator Everett Dirksen, of Illinois, present minority leader of the Senate; William E. Miller, chairman of the Republican National Committee; former chairman of the Democratic National Committee James Farley, of New York, who sent his son to school at Wassookeag School Summer Camp in Dexter as a result of Senator Brewster's recommendation; Senator Ernest Gruening from Alaska, who in the 1920's was editor of the old Portland (Maine) Evening News; Senator Estes Kefauver, of Tennessee, and many other leaders in the Congress where Senator Brewster served for 18 years.

In addition to the many State, national, and international leaders who sent messages, there were hundreds of heartwarming tributes from Mr. and Mrs. average citizen.

About half of these were letters from admirers and supporters of Senator Brewster.

The other half were from persons who wanted to tell of some specific instance in which Senator Brewster had helped them over and beyond the call of duty of his office at some time during his half century of public service.

Many mothers wrote of the deep gratitude in their hearts for the assistance which Senator Brewster had given to correct some military personnel injustice during World War II or to put a mother in touch with a son overseas whom she had not heard from for many months.

Many officers in the armed services expressed their appreciation for the great help which Senator Brewster had been in securing their appointments to West Point or Annapolis. These letters came literally from all over the world wherever these officers are now stationed.

During the period since Senator Brewster's death, most of the organizations to which he belonged have adopted resolutions of respect in memory of Senator Brewster. These include the Dexter Grange, the Odd Fellows, the Order of the Eastern Star, the Katahdin Council, Boy Scouts of America, and many others.

BOWDOIN SERVICE

The first Bowdoin College chapel in 1962 was entirely devoted to a memorial service for Senator Brewster with an address by President James S. Coles, of Bowdoin. He quoted a statement made by President Sills when the latter awarded Senator Brewster the honorary degree of doctor of laws in 1942 and referred to him as "for the past 25 years the stormy petrel of Maine politics . . . like that famous denizen of our coast ready for each succeeding storm . . . one of less than a hundred men in our whole national history who has served as Governor, Congressman, Senator."

Senator Brewster had been an Overseer of Bowdoin since 1941. At the February meeting of the Overseers, a resolution of tribute was passed which has recently been received by Mrs. Brewster.

After tracing the biographical details of Senator Brewster's career, the Bowdoin Overseers concluded as follows: "His loyalty to Bowdoin was undeviating. He was a valuable and respected Overseer, always concerned for the welfare of the college and confident of its future."

"Brewster made friends and enemies lavishly," the resolution continued. "Where he saw what he thought was wrongdoing or skulduggery he dealt with it mercilessly and fearlessly. His analytical powers were extraordinary and when he set his hand to the plough it always went to the end of the furrow. In or out of public office he was a tireless worker, an inflexible Republican, a devoted lover and servant of his native State. He was certainly one of the most remarkable men of his generation in Maine and he left a memorable record of service to his country."

This eloquent tribute by the Bowdoin College Board of Overseers might well serve as Senator Brewster's epitaph.

[From the Eastern Gazette, May 10, 1962]

DEXTER ADDS SHARE TO BREWSTER TRIBUTES

"A prophet is not without honor save in his own country." This statement did not apply to Senator Brewster. He was a beloved figure in his hometown of Dexter where he lived for all his 73 years.

After his retirement from the Senate in 1952, he devoted much of his energy and executive ability to building up his hometown. His goal was to have Dexter as a model town.

He helped form the Dexter Development Association and was its first president. He was still president at the time of his death. He was a leading organizer of Dexter's memo-

table 150th anniversary celebration. He was chairman of many of Dexter Fourth of July celebrations.

When the various Dexter Woolen Mills ran into hard times in the middle 50's, he spearheaded an effort to find a new industry for Dexter. In 1957, he succeeded in persuading Harold Alfond, of Waterville, a prominent Maine shoe manufacturer, to locate a new shoe factory in Dexter. Mr. Alfond has said many times that he would never have located in Dexter if it had not been for Senator Brewster's salesmanship, prestige, enthusiasm, and hard work.

DEXTER SHOE FACTORY

Senator Brewster organized a group of local businessmen who obtained title to the Old Brick Mill property where the Dexter Shoe Co. has twice expanded into newly constructed buildings, the latest of which Senator Brewster lived to see completed only this past fall. This shoe factory now employs nearly 500 persons and is one of Dexter's chief industries.

Senator Brewster also devoted his talents to promoting the many Dexter civic organizations of which he was a member. After 25 years of membership in the Bangor-Brewer Lions Club, he was instrumental in founding the Dexter Lions Club, which was activated only 3 months before the Senator's death. He was a perennial chairman of the Dexter Boy Scout drives.

Perhaps the most heartwarming tribute which was paid Senator Brewster the day of his funeral services was spoken by a prominent Dexter businessman who said simply: "Everybody in Dexter was Senator Brewster's friend."

[From the Waterville Morning Sentinel, Jan. 3, 1962]

DEATH OF BREWSTER ENDS AN ERA

(By May Craig)

WASHINGTON.—Death of former Senator Brewster, of Maine, somehow seems the end of an era though he had left the Washington scene in 1952 when defeated by Republican Fred Payne for the Senate, Payne in his turn being defeated in 1958 by Democratic Ed Muskie.

Brewster had long political history behind him, as Governor, Member of the U.S. House of Representatives, and the Senate. He was a consummate politician, one of the most alert minds, one of the most able men, this long-time correspondent for the Gannett papers has known in Washington. Most of the troubles he got into were due to this restless, ambitious nature, often he got the blame when others involved were equally responsible.

His devotion to the Christian Science doctrine (he was president of the church for a time) collided with his political ambitions often, but he was one of the most colorful, controversial figures ever on the Washington platform.

As a Christian Scientist he was a teetotaler and practiced that tenet in a Washington awash with liquor both during prohibition and since. He used to serve sparkling white grape juice at the handsome dinners that he and Mrs. Brewster used to give, to the surprise and horror of those who did not know what was in the champagne glasses in which the grape juice was served, including his colleague the late Representative Frank Fellows of the then Fourth District of Maine.

Senator Brewster, whose name was Ralph Owen, was often criticized for dropping the first name and calling himself Owen, but this is a frequent and valid choice—the ordinary names are so common that it is difficult to distinguish among the public figures, and the distinctive name "Owen Brewster" was much better. Maine-born Senator Bridges,

of New Hampshire, did that, too, dropping his first name and using the middle name of Styles. The Senator told me once that he had always wanted to use the name Owen, which is the name of the prominent family of his mother, but that Mrs. Brewster was sensitive after the death of their son, Owen, climbing a Maine mountain, and so the Senator delayed dropping Ralph for Owen for longer than he wanted to.

The Brewsters lived next door to the then Senator Truman in modest apartments in the Mayflower and they became close friends. Brewster served on the Truman committee on World War II and became its chairman. Truman always valued the Brewster friendship after he became Vice President and President, though they were of different political faiths—both were politicians and they understood each other.

Brewster came to Congress as a public power man, because of the infant Quoddy tidal power project and because the private power people were tied up to the other side. After he got here Roosevelt began the Quoddy project with relief money; dropped it when Congress refused to authorize. Brewster had a quarrel with the administration about the utilities holding companies restriction legislation and always thought Quoddy hastened to the end of that phase because he opposed the law, while the administration felt he had betrayed their side.

He did an excellent job as chairman of the committee on Pearl Harbor and was one of two Republicans to hold the President, General Marshall, and Washington officials more to blame for that tragedy than the admiral and general at Pearl. There have been several investigations of Pearl, but we have not yet got at the truth and may never. Brewster found that often when he wanted papers from the Government files for this committee, they were missing.

He got into a fight with colorful Howard Hughes in the investigation of war contracts, especially the enormous plywood flying boat Hughes built, partly with his own money. Quite unnecessarily, as so often he did, Brewster brought in Hughes predilection for fair ladies, at this hearing, and had to withdraw a story of the hostess on the Hughes private plane—though chuckling reporters thought it probably true.

Brewster was quite an orator and reporters like fact that he could always be heard, while some Senators whisper on the floor to listening press gallery.

Brewster was the first to organize the Maine congressional delegation for regular meetings and conducted them with order, aided by his administrative assistant Roy Haines who was a joy to reporters for his exactitude and availability.

Brewster was the first Senator to get his woman secretary on the floor of the Senate. For a long time women assistants were not allowed; we saw the idiotic scene of competent women sitting outside the door while a Senator would be conducting business on the floor, with pages bringing back and forth papers and notes to guide the Senator. Brewster laid the ground carefully for the change and one day by arrangement, he sent for Frances Dustin, his secretary, to bring him some papers, and so history was made smoothly.

Brewster was a devoted Republican always and served his party in various capacities, always at their disposal as a campaigner. He got in trouble by getting campaign contributions sometimes, notably one for Nixon in 1950, but as usual was blamed only when it got out. He came to Washington advocating the Townsend plan for pensions for the aged, but was against the Roosevelt New Dealism as collectivism, especially he opposed the reciprocal trade agreements which is coming up for renewal at coming session.

[From the Portland (Maine) Press Herald,
Dec. 27, 1961]

**BREWSTER STOOD FOR REPUBLICANISM, AND
BATTLED HARD FOR HIS BELIEFS**

Owen Brewster, whose death occurred in Boston on Christmas Day, was one of the last of a long line of New England Republicans who worked unswervingly in Congress—and out of it, for that matter—in the interests of right-wing conservatism. U.S. Senator Styles Bridges, also Maine-born, whose earlier demise has touched off a political furore in New Hampshire, was another such.

For more than 35 years the Dexter native occupied elective or appointive public posts, going through the chairs in the Maine Legislature to serve two terms in the Blaine Mansion. The next jump was harder, but three defeats failed to dim Brewster's determination to win a Congress seat. Success came in 1934, when the New Dealers elsewhere were strengthening their grip on Congress, and for the next 18 years Owen Brewster was a State, national, and world figure.

His first conspicuous notice came when he was associated with Senator Harry Truman on the committee probing the national war effort. As a member of the Pearl Harbor investigating group, he filed a dissent that struck hard at President Franklin Roosevelt. Just before he was defeated for renomination in 1952 by Gov. Frederick Payne, Brewster sat with the committee inquiring into Truman's dismissal of Gen. Douglas MacArthur.

But the Maine man worked fully as hard for the Republican cause and business interests supporting it, and in his zeal came under frequent investigation himself. He might have asked for no better compliment than that everyone knew what Owen Brewster stood for, and what he believed in he backed with his whole heart.

[From the official records of Bowdoin College]

**BOWDOIN COLLEGE CHAPEL: MEMORIAL SERVICE
FOR THE HONORABLE OWEN BREWSTER, OF
THE CLASS OF 1909, WITH ADDRESS BY
PRESIDENT JAMES S. COLES, JANUARY 3, 1962**

The service was opened with the 85th Psalm, read responsively.

In the fall of 1905 a 17-year-old youth from Dexter, Maine, Ralph Owen Brewster, entered Bowdoin College. He was destined to become distinguished, as were several of his classmates, some of whom are here in the chapel today.

He soon joined Delta Kappa Epsilon Fraternity, and became an active student citizen. The Bugle said of him "Look out for him, he'll either stick you with a subscription or an argument. He says he's going to make that debating team next year, and be President of the United States in 1912 or know the reason why."

He did make that debating team, and while he never became President of the United States, he might well have done so, for in his later career he was to be twice a Governor of Maine and a Member of the U.S. Senate. In college he managed the debating council and the track team and was in many other activities including the then famous Mandolin Club. His roommate for his 4 years at Bowdoin was Harold Hitz Burton, who was later to become a U.S. Senator from Ohio, and a Justice of the U.S. Supreme Court. Both Owen Brewster and Harold Burton were elected to Phi Beta Kappa and both graduated from Bowdoin summa cum laude. Both went on to the Harvard Law School, although Owen Brewster was delayed 1 year while he earned some of the necessary money as principal of the high school in Castine. Despite having to wait on tables in law school to help meet his expenses, he distinguished himself in his studies sufficiently to become

a member of the editorial board of the Harvard Law Review. At Harvard he also met and worked with Robert A. Taft, later another U.S. Senator from Ohio.

Owen Brewster returned to Maine immediately upon graduation from Harvard Law School in 1913 and took up the practice of law in Portland. In 1915, he was elected a member of the Portland School Committee, upon which he served until 1923. In 1917 he was elected to the Maine House of Representatives, but resigned for World War I service as a captain and regimental adjutant in the Maine National Guard; in 1918 he resigned this captaincy to enlist as an Army private in the Federal service. He was reelected to the legislature in 1921 and in 1923 was elected to the State senate. In 1925 he was elected Governor of Maine, at the age of 37, and was reelected in 1927. While Governor, he was chairman of the executive committee of the national Governors conference.

Upon completing his second term as Governor, he returned to his native Dexter and there again undertook the practice of law. Continuing his interest in politics and government service, in 1935 he was elected a Member of Congress from the Third District of Maine and served as a Congressman for Maine until 1941. In 1941, he became a Member of the U.S. Senate, where he served until 1953.

He was a Republican in our Congress when Republicans were in a distinct minority, to put it mildly. His congressional opponents called him a Republican "needler." He understandably was opposed to President Roosevelt, but supported him fully at the outbreak of World War II, saying, "Up in Maine we have been brought up on the sea, and when the ship gets out of sight of land, we recognize that the captain is boss. * * * I did not vote for the captain but * * * if I am compelled to a choice between Roosevelt and Hitler, I choose Roosevelt."

Senator Brewster was an active alumnus of Bowdoin College. He was a member of the alumni council in its early years, and served as secretary of the alumni council 40 years ago. He was elected an overseer of the college in 1941 and has contributed in service faithfully as a member of that board. In recent years he has also devoted considerable time and effort to the Boy Scouts of America, and has been a member of the National Council of the Boy Scouts of America.

As a sequel to Senator Brewster's own college career, Charles Foss Brewster, his son, graduated summa cum laude, went on to Harvard Law School, and then served in the Army in World War II. Charles Brewster's roommate in college was the son of his father's roommate, Harold Burton. Young Brewster and young Burton, like their fathers, were both members of Delta Kappa Epsilon and were both elected to Phi Beta Kappa. Like young Brewster, young Burton also went on to Harvard Law School and served in the Army in World War II.

When President Sills awarded Senator Brewster the honorary degree of doctor of laws in 1942 he referred to him as: "for the past 25 years the stormy petrel of Maine politics * * * like that famous denizen of our coast ready for each succeeding storm * * * one of less than a hundred men in our whole national history who has served as Governor, Congressman, Senator."

Senator Brewster was outspoken and was vehement both as a proponent and opponent. He was a man of charm and intelligence, well read and well educated. He was a man of boundless energy. He was a man who gave generously of himself in service to the State of Maine, to the United States, and to his college.

The service was closed with the hymn, "Abide With Me."

Abide with me: fast falls the eventide;
The darkness deepens; Lord, with me abide:
When other helpers fail, and comforts flee,
Help of the helpless, O abide with me.

I need Thy presence every passing hour;
What but Thy grace can foil the Tempter's power?

Who like Thyself my guide and stay can be?

Through cloud and sunshine, O abide with me.

I fear no foe, with Thee at hand to bless:
Ills have no weight, and tears no bitterness.
Where is death's sting? Where, grave, thy victory?

I triumph still, if Thou abide with me.
Amen.

THE CLOSING PRAYER

Remember Thy servant, O Lord, according to the favour which Thou bearest unto Thy people, and grant that, increasing in knowledge and love of Thee, he may go from strength to strength, in the life of perfect service, in Thy heavenly kingdom. Amen.

**STATE AUDITOR JOHN HOLMES
DIES**

Mr. MANSFIELD. Mr. President, recently the State of Montana suffered the loss of one of its most colorful and dedicated public servants, John J. Holmes. At the age of 73, John Holmes was serving his 13th year as State auditor.

The people of Montana came to know and love John Holmes for his Irish wit and distinguished service to the Treasure State. Montana's State auditor was a hard-working Democrat, but he maintained the respect and friendship of many, both Democrat and Republican. Political rallies in the State will not be the same without John Holmes' disarming personality and wealth of stories which were often the highlight of these events.

The State capitol in Helena will not be the same without John Holmes. Mrs. Mansfield and I publicly extend our sincere condolences to the Holmes family at this time of bereavement.

Mr. President, I also ask unanimous consent to have a series of newspaper articles printed at the conclusion of my remarks in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Helena (Mont.) Independent-Record, May 13, 1962]

**GOVERNOR, STATE OFFICIALS PAY TRIBUTE TO
HOLMES**

The Governor and other officials expressed sorrow Saturday night upon learning of the death of the much admired John J. Holmes, State auditor.

Gov. Tim Babcock termed it "the passing of one of our pioneer statesmen."

He said: "Certainly many of the friends he had made will miss seeing him in the capitol."

Babcock then related how he had been thinking of the dean of State officials just a few minutes before he learned of Holmes' death.

"I was playing an album of Irish songs on my stereo set and jotted down a memo to give the album to him on Thursday at his birthday party," the Governor said.

"It was not 5 minutes later that I heard the news. I feel as everyone must that his years of service is something to be admired," Babcock said.

Attorney General Forrest Anderson said: "John Holmes will be missed by all of us who knew him so well as the dean of the Montana Democratic Party, a true American with an Irish wit and indeed a real and good friend."

SECRETARY OF STATE

Secretary of State Frank Murray issued this statement:

"I am deeply grieved to learn of the death of my old and dear friend, John J. Holmes. Johnny made a place for himself in the heart of all Montana and her citizens will always remember his faithful and long performance as an outstanding public official. The loss of his warm and friendly personality, his Irish brogue and his keen wit will be particularly felt at the statehouse. Mrs. Holmes and the other members of his family have my sincerest sympathy."

Jerry J. Lowney, Jr., president of the Lewis and Clark County Young Democrats paid tribute in his statement: "My only hope for the young Democrats of today is that we might be able to serve the State of Montana and its citizens as diligently as the dean of our party, John J. Holmes."

[From the Billings (Mont.) Gazette, May 15, 1962]

A DISTINGUISHED MONTANAN

State Auditor John J. Holmes, who died Saturday at the age of 73, distinguished himself in the field of politics as a campaigner who made the most of a pleasing personality. His Irish wit and ready smile were disarming to any opposition, and his service of nearly 30 years as auditor was evidence of a substantial political following.

On campaign with fellow Democrats before election, Mr. Holmes had his special role in party rallies that remained unchanged through the years. His part was not that of critic shaking a fist and pounding a table, but rather of story teller. In this he imparted a light touch to many a serious meeting, drawing from a repertoire of stories that put him in good stead also when he called personally upon voters.

Mr. Holmes, who has many friends in both the Democratic and Republican Party, will be missed by the statehouse family in Helena and by the wide circle of acquaintances he developed around the State in nearly three decades of public service.

[From the Missoula (Mont.) Missoulian, May 15, 1962]

STATE LOSES ABLE OFFICIAL

In the death of Auditor John J. Holmes, Montana has lost one of its most picturesque State officials.

In the years since January 1933, when his long reign as auditor started, he had come to be regarded as a fixture in Montana's capitol.

His Irish brogue and colorful stories made him a popular figure on the campaign trail when he came up for reelection every 4 years, but his public standing had a much more durable basis.

Those who dealt with him as auditor, and as ex officio commissioner of insurance, came to respect and admire him as a man highly conversant with the duties and responsibilities of his office. And he discharged them with dispatch and impartiality.

Mr. Holmes was one of quite a number of men elected to office for the first time in the 1932 Democratic landslide. That year he defeated a veteran Republican auditor, George P. Porter, in the second closest race on the State ticket. For some years prior to that balloting, Gov. John E. Erickson was a lone Democrat among elected State officials in Montana's capitol. But most Republicans were "relieved" in 1932, and the elections of 1934 and 1936 made the sweep complete. Their strength picked up after that, but the

degree of Republican dominance of the 1920's has never since prevailed.

By several years, John Holmes was in State office longer than any of his fellow Democrats elected in 1932. Each 4 years he was reelected without much difficulty. His crowning achievement at the polls came 2 years ago, when he was returned for an eighth consecutive term with an absence of either Democratic or Republican opposition.

In his passing, 5 days short of his 74th birthday, we have lost a popular official who served with devotion and considerable distinction.

[From the Great Falls (Mont.) Tribune, May 13, 1962]

DEATH OF MONTANA'S AUDITOR HOLMES RECALLS HIS KNACK FOR STORYTELLING

HELENA.—"We Irish call our children after saints. Well, Peggy has a son named John Holmes McDowell."

John Joseph Holmes, Montana's gray-haired State auditor, loved to tell that story of a daughter now in New York.

Many Montanans will remember that story as being prophetic of the beloved dean of Montana elected officials who died Saturday night, 5 days short of his 74th birthday.

A self-styled political accident, Holmes was widely known for his storytelling—his stock in trade during political campaigns or whenever called upon for a few remarks. Few would deny he possessed the gift of the Blarney stone of his native Ireland.

He was first elected State auditor in 1932, taking office the next year. Afterward, he always referred to himself as "a political accident—guess I rode in on President Roosevelt's coattails."

The John J. Holmes story started May 17, 1888, at Elphin in County Roscommon, Ireland, as the son of Irish schoolteacher parents.

He took his first job in a brewery at Westport, Ireland, as a bookkeeper. He was 17.

Later in that year of 1905 he came to New York.

He was visiting relatives at Hoboken, N.J., when he was offered his first job, throwing switches in the yard for the Delaware, Lackawanna, and Western Railroad.

"The damn, long and weary, they called it.

"For 3 nights I stood out in the yard, wearing my Donegal tweeds and my patent leather shoes," Holmes would recall. "Then one night a bookkeeper failed to show up."

"Can you write?" one of the foremen asked young Holmes. And he went to work as a bookkeeper.

Two years later, Holmes and two companions started west.

"Decided we wanted to see the country," he'd say.

Holmes, John Hannon and Malachi J. Roddy got as far as St. Paul that winter.

"Then we were contacted by W. J. Strain of the Strain Bros. store in Great Falls and the three of us came out to work for him."

A year later, Holmes went to work for the old Anaconda Copper Mining Co. smelter and soon was one of the chief statisticians.

"That was in the days before mechanical office equipment," Holmes would reminisce. "No auditing machines, no comptometers."

*** And they used to have to wait in New York for us to figure out the cost of copper a pound.

He married Catherine Gillespie in 1909 at Great Falls. During World War I he was overseas and upon his return sold insurance under Sam Goza, a Republican with whom he later was known to disagree.

"But I have a whole trunkful of letters from Mr. Goza in which he says I'm a good guy," Holmes would recall afterward.

But it was storytelling he loved as much as anything. He swore he was "the only man who ever made Senator T. J. Walsh of Montana laugh."

Holmes would tell the story this way:

"When Herbert Hoover was President, Walsh was on a committee for farm seed loans. Because times were hard, the farmers weren't paying those loans. So, to embarrass the administration, collectors were being sent out to try to get the farmers to pay up."

"To go back a little bit, when I decided in 1931 to run for auditor, I asked around for advice from some of the leading men in the State. 'Learn the art of handshaking,' I was told, so I started out to learn."

"Anyway, during the campaign, every town we hit, there would be Senator Walsh and Governor (Elmer) Erickson."

"At Ophelm, I was quietly going on my mission of shaking hands, when I saw a farmer across the street. When he saw me, he started to run. I did too. I caught him 12 miles across the Canadian line when he fell down."

"Please, sir, won't you vote for John J. Holmes for State auditor?" I asked him after we'd caught our breath. 'My gosh' he said, 'I thought you were one of those Government men trying to collect seed loans.'"

"I told that story to the Senator, and he laughed."

But in Ireland the leprechauns say they saw a smile on St. Peter's face as he opened the gates to welcome John Joseph Holmes.

The last of the stories have been told.

[From the Hamilton (Mont.) Western News, May 17, 1962]

DEATH ENDS HOLMES CAREER

More than 29 years in the State capitol ended Saturday for John J. Holmes, the renowned Irish storyteller whose long tenure as State auditor made him the senior elective official in the State government.

Since he first swept into office behind Franklin D. Roosevelt in 1932, Democrat Holmes has become one of Montana's best known personalities. His signature has appeared on millions of State warrants, and what better way is there to make friends.

Holmes was the man whom the Republicans could never come close to defeating for State auditor, nevertheless, Holmes was unsuccessful in attempts to unseat Wesley D'Ewart, the Republican who represented eastern Montana in Congress during the late forties and early fifties.

John Holmes died Saturday only 4 days before a splendid 74th birthday party which State employees had planned for him.

As State auditor, Holmes was also ex-officio State insurance commissioner, and many students of government maintain that his office no longer has any reason for existence except to regulate Montana's insurance industry. Numerous suggestions for abolition of the auditor's office have been made, but none of them ever got off the ground. Much of the reason for the lack of enthusiasm on behalf of the abolition proposals was that John Holmes, very understandably, opposed them and few politicians would dare raise the Irish temper of this proven votegetter.

We are unsure of the procedure for choosing a successor to Holmes, but it seems logical that Governor Babcock will appoint a successor to serve until the general election in November. This will mean that the Republicans will hold one more office in the capitol, at least temporarily.

It seems that the time is ripe for the next legislature to take steps to modernize the structure of State government and to remove some of the duplication of functions by consolidating the auditor's office with one of the other branches of government.

The office probably should continue to exist as the insurance department, but much of its fiscal responsibilities are being duplicated by other State agencies. The board of

examiners, the State controller, the budget director, and the State treasurer all overlap the auditor's duties to some extent.

Perhaps Montana could have more efficient financial administration in the future if some of these functions were consolidated.

John J. Holmes will be missed on the State political scenes. Even Republicans, who would gladly have skinned him at the polls, respected his political abilities and admired him as an individual.

But now that Holmes has passed from the scene, Montana should give serious consideration to taking steps to bring his office into the modern outline of governmental operation.

MEDICAL CARE FOR THE AGED

Mr. PEARSON. Mr. President, this Nation—its people and this Congress—are confronted with the critical problem of assuring the availability of adequate medical care for 17 million senior citizens.

I am greatly disturbed by the atmosphere in which this problem is now being considered. The administration has attempted to convey the impression that there is only one solution to the problem—its own plan—which we have come to know as the King-Anderson proposal. To further this view it has ridiculed its opposition, particularly the honored and respected medical profession, a group of specialists which the administration's own health message said needed Federal funds to help expand in numbers.

Terms such as "hoax," "fraud," "socialism," and "dictatorship" pollute the debates on this subject and compound the difficulty in applying reason and judgment.

In my newsletter to my constituents last week, in which I opposed the administration plan for the compulsory social security approach, I urged that the Nation return to reason and approach this problem, which we all recognize exists, with careful deliberation and adherence to our long-established principles. In this respect I would request unanimous consent to have printed in the RECORD an excellent editorial published in the Wichita Eagle of May 24, 1962, which expresses a similar view.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S QUIT FIGHTING AND WORK OUT A SOUND MEDICARE PROGRAM

The battle between the Kennedy administration and organized medicine has gotten completely out of bounds. The only hope now is that, with the wildest statements, charges, and appeals out of the way, responsible leaders of both sides can work together for a reasonable medical care plan for aged persons.

We've had enough of the circus atmosphere like the rally in New York with busloads of elderly folks hauled to Madison Square Garden to chant for the King-Anderson bill. Enough of Federal officials plumping for the bill without regard to the facts—contending that the administration's bill is the be-all answer to the problems of the aged.

Likewise, enough of the charges of "cruel hoax," of "brainwashing," of "socialized medicine," of "turning patients into numbers," by doctors' spokesmen. Enough of hiring 190 TV stations at an estimated \$100,000 cost to fight the King-Anderson bill. Enough of testimonials by old folks—on both sides.

In short, enough of the medicine show. It is time to examine the need, the various proposals and then to try to arrive at some reasonable solution.

Despite the attitude of some doctors, like the Wichita spokesman who contended recently that even the Kerr-Mills law was not needed in Kansas, there seems to be fairly general agreement that a need does exist. Anyone who has faced the worry and financial debacle of caring for an aged parent or relative can testify to the point.

In addition, these simple facts illustrate the problem: 52.6 percent of the 17 million persons over 65 had less than \$1,000 yearly income in 1960; hospital costs have risen 47 percent between 1950 and 1960, with average daily care up from \$10 to \$32 per patient-day; 48 percent of over 65 had no hospital insurance coverage in 1960, with another 21 percent having less than 75 percent coverage.

What, then, does this need consist of? In our view, it involves these specific needs for the elderly:

(1) Help in meeting the costs of "catastrophic" illnesses.

(2) Help in meeting the costs of chronic illnesses.

(3) Availability to middle-income families, as well as those on relief status—in other words, no "means" test.

(4) Reasonable uniformity so that all are treated the same, no matter where they live.

(5) Financing at the least cost possible, with the least bureaucracy.

(6) An "insurance" basis for the plan, with the costs paid by contributions and not general revenues; a separate fund for the program.

How, then, do the two major proposals—the Kerr-Mills law that is supported by the American Medical Association and the King-Anderson bill—meet these needs?

Kerr-Mills fails to meet items (3), (4), and (6). It involves a means test, eliminating all but the "needy" on relief. It is not uniform; only 28 States have implemented it and then in various levels of help (for example, Kansas has not adopted it and only 6 States are providing help in the 5 major fields for which it is available). It uses general revenues from the Treasury instead of being on an actuarial basis.

King-Anderson fails to meet items (2), (5), and (6). It would not handle chronic illnesses, after the limited benefits were exhausted. It would establish a new Federal bureaucracy for administration. It would not be on an "insurance" basis because the social security fund is financed out of general revenues.

Many other proposals have been made but have not received much attention. Some are (or were):

President Eisenhower's plan of 1960 to subsidize private health-care programs.

The American Hospital Association plan that would use social security financing but have Blue Cross administer the program.

The AMA-Blue Shield plan that would pay all doctor bills (not hospital costs) for persons of less than \$2,500 annual income or \$4,000 for a couple.

The bill proposed by Representative FRANK T. Bow, Republican, of Ohio, that would allow \$125 tax credit for persons over 65 who have private health insurance, or would pay \$125 if such persons owed no taxes.

The Lindsay-Javits (Rockefeller) plan that would use social security but would give individuals an option of providing their own care through private insurance.

The bill proposed by Representative THOMAS CURTIS, Republican, of Missouri, that would give tax breaks to children who pay for their aged parents' care and would allow business tax deductions for payments into employee pension funds for health and medical care needs.

A plan, still undetailed, by Representative BURN HARRISON, Democrat, of Virginia, aimed at handling long-term illnesses, using social security but providing for reasonable private contributions.

The method proposed by the Buffalo Evening News to have Congress set the level of care to be provided, have private firms bid on premiums to provide this, allow private individuals to buy the insurance or not, and allow persons over 65 to apply to the Federal Government for full or partial payment of the premiums.

All of these have some advantages, all have some drawbacks. None is the complete answer. But neither are the King-Anderson and Kerr-Mills measures.

It seems to us time for Congress to get the matter out of the political limelight and work out a program that has these elements: (1) Voluntarism with an option provided for aged persons to take Federal help or provide their own; (2) selectively, providing care to those who need it most; (3) protection against catastrophic and chronic illnesses; (4) not limiting it to relief cases only; (5) uniformity over the Nation; and (6) an actuarially sound insurance fund for the future.

It's a tall order to ask Congressmen to devise such a program. But that's what should be expected of them.

THE SENATE-PASSED FARM BILL ANALYSIS OF STORAGE OF WHEAT AND FEED GRAINS

Mr. MOSS. Mr. President, in his column this morning in the Washington Post, Mr. Joseph Alsop explained in a very few words the major issue in the Senate-passed farm bill. The problem we face was brought on by a combination of a scientific revolution in agriculture and inadequate legislation. The result is a mountain of wheat and feed grains costing the taxpayers more than a billion dollars a year in storage fees alone.

The Senate voted to follow the successful pattern set on cotton, tobacco, and peanuts, and in a slightly different way on sugar. The bill gives the farmers a free choice of first, Government price controls on wheat and feed grains with strict limitations on production; or, second, no controls and no price supports. The Department of Agriculture has estimated that this action, if concurred in by the House, will save the taxpayers \$775 million in the first year.

I ask that Mr. Alsop's clear analysis of this issue be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE SLEEPER AWAKES

(By Joseph Alsop)

The agriculture bill, which has always been the sleeper in the Kennedy legislative program, had an impressive awakening in the Senate last week.

As the result of a single vote cast against the administration by Senator WILLIAM PROXMIER, of Wisconsin, the bill had been gutted in committee—which is usually the end of any bill's story. But the Senate put back the bill's guts by a substantial majority on Thursday, and passed the bill itself by a majority of 42 to 38 on Friday.

The guts of the provision is designed to put limits on the formerly limitless expansion of farm surpluses. This part of the bill extends to wheat and feed grains the same system of strict production controls—plus solid price supports—which is already working well for other crops like cotton, tobacco,

and peanuts. Wheat and feed grains now account for two-thirds of the \$9 billion surplus of farm products currently held by the U.S. Government.

The Southern States are a deficit area in feed grains, and therefore have a strong interest in low feed grain prices. Hence the Southern votes were the ones to watch. All the bellwethers—Senators HARRY F. BYRD, of Virginia, and RICHARD RUSSELL and HERMAN TALMADGE, of Georgia—supported the administration. This is a good augury for the House of Representatives, which is expected to pass the bill by a better majority than the Senate, but only after a rough fight.

One reason the fight will be rough in the House can be discerned in the famous Billie Sol Estes case. The endlessly increasing farm surpluses have created a requirement for more and more crop storage space, such as Estes rented to the Federal Government for large sums.

In many parts of the country, building storage space for federally held farm surpluses has in fact become a favorite speculative investment. The companies and individuals who entered the business in the era of endlessly increasing surpluses are already barraging House Members with cries of protest, because they fear the surpluses, and therefore their incomes, may begin to shrink.

The fact that no one really expected anything to be done about the surplus problem—the general acceptance of the problem as a kind of costly but wholly incurable disease—can also be read in the storage space story. Secretary of Agriculture Orville Freeman announced his intention to get the surplus problem under control at all costs, as soon as he took office. But Freeman's announcement was dismissed as nonsensical, and large investments were made in additional storage space during the last year.

It is ironical that almost everyone should be astonished, and a good many hardheaded businessmen should be caught short, because the passage of this serious farm bill suddenly seems likely. It is even more ironical that conservative persons are not at all pleased by this prospect.

Evidently continued reckless spending is widely thought to be less dangerous than extending Government controls. For the point in the farm story, heavily underlined by the hapless record of former Secretary of Agriculture Ezra Taft Benson, is that the choice lies squarely between extending controls or wasting more and more monstrous sums of public money.

Benson's theoretical third choice was abolishing price supports for farm products. But this was never politically feasible, as was proven by the Eisenhower administration's flat failure to carry Benson's programs, even in the first Republican-controlled Eisenhower Congress. High price supports combined with inadequate production controls inevitably lead to increasing Federal costs and increasing stored surpluses.

For this primary reason, the cost of the Federal farm program rose from about \$2.5 billion a year at the end of the Truman administration to the staggering total of \$9 billion a year at the end of the Eisenhower administration, with no less than \$1 billion a year going for mere storage costs of surplus crops. Such was the situation that Secretary of Agriculture Freeman tackled head on, with remarkable industry and considerable political courage.

It has been touch and go all the way. The most arduous work by Freeman and the astute chairman of the House Agriculture Committee, Representative HAROLD D. COOLEY, was needed to secure a one-vote margin to report the bill to the House. The Senate committee, as noted, went against the administration, also by one vote.

Curiously enough, the farm bill has lately gained support from the Estes case, which

has highlighted the scandal of the unformed farm program. In such strange ways, with hardly anyone paying the smallest attention, one of the most intractable, long-established national problems seems to be on the way to solution.

EMPLOYMENT OF THE HANDICAPPED

Mr. CURTIS. Mr. President, a fine young Nebraskan, Mr. Rowen Zetterman, of Shickley, Nebr., received first prize in our State for his essay on "The Role of the Community in the Employment of the Handicapped." I ask unanimous consent to insert his essay in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE ROLE OF THE COMMUNITY IN THE EMPLOYMENT OF THE HANDICAPPED

(By Rowen Zetterman)

The American ideal of today is that all Americans should be given an equal chance in living their lives. This is one of the basic principles of our democracy. Because of this ideal, the handicapped person now has a greatly increased chance of gaining a job in a community.

Through efficient descriptions of problems confronting the disabled, nearly every person now realizes that the handicapped person needs to be rehabilitated and given a job so that he can support himself and his family. But few of these people realize how this can be brought about. Therefore, more realistic means must be used, not only in describing physical problems of the handicapped, but also in telling the people how they can work together to form effective organizations for use in placing the disabled person in a useful job. Once people are willing to help, they must be formed together into an organization with a common goal—helping the handicapped.

Therefore, this is the role of the community: To have an effective organization for use in (1) rehabilitation of the handicapped and in (2) their job placement, so that they are best suited to the work.

The basic word in help for the handicapped is "organization." When our friends and neighbors acquire insight into the problems of the disabled, then an organization can be formed for use in job placement of the handicapped. However, this organization will not be effective if it is set up on the national level, for jobs are not found on the national level. Instead, it must be formed right down on the grassroots level of the community where the jobs are to be found or not found, either case resulting from an effective or ineffective community employment organization.

When enough people are gathered together to successfully develop a center for aiding the handicapped, they must first discover barriers to local employment.

Before attacking the basic problems of how to overcome these barriers, perhaps the group decides that they are not properly represented by all those concerned in the community. Therefore, they may feel that they should solicit representatives from the many organizations of management, labor, medicine, etc. This will be helpful because many new problems or answers to current problems will come to light as a result of consultation of all the different forms of jobs represented. When this group has been gathered, then an effective organization can be formed for use in tackling the vast problem of overcoming job barriers for the disabled.

Once effective means of overcoming these problems have been found, then the organi-

zation can begin its reasonably difficult, though exceptionally rewarding, process of placing persons in suitable jobs according to their capabilities.

But of course before any work can be done for a handicapped person, that person must emit a desire for such help. Once he expresses a desire to be helped, a whole new range of opportunities are opened to him.

Now that our organization is working, we will check the steps of its workings. Let us say that a person who has never worked since the cause of his disability happened, entered our center. What steps would he go through? First, he will be given a complete checkup. This is not only to discover the extent of his disabilities, but also the complete range of his capabilities. Another important reason for this checkup is this: Perhaps between the time this person suffered his disabilities and received his original care to the present time, new ways of treating his case, with miracle drugs or by using new techniques and equipment, may have been found. These new ideas, properly applied to his disabilities, could further help him to regain more use of his body.

As soon as the handicapped person receives a thorough checkup, he will be sent to the section that will try to rehabilitate him to the utmost degree. This can best be done by showing him how to use his new arms, legs, his wheelchair, and other devices he may be fitted with. During this time, he may also be shown how to overcome his psychological fears of ridicule or of not being able to find a job. He may also be shown how to live socially with the rest of the world or how to forget his shortcomings.

When the handicapped person is finished with rehabilitation, he will then be given an aptitude test to see what jobs he is capable of taking on and keeping. Then by fitting his aptitudes to his physical abilities, he can gain an idea of the job for him. He may then take up some form of schooling to bring his job knowledge up to the required standards.

This is the first key to success of handicapped workers—being properly prepared.

Now the final job of the organization is here: To successfully place the handicapped person in a job suited for him. The organization now can only locate suitable positions for the handicapped. After that, they must make their own way in job interviews and job tryouts.

This is the second key to success of the job—selective placement. For the handicapped people are not considered rehabilitated until they have been placed in a suitable occupation.

These community organizations are not there only to rehabilitate handicapped persons for the first time, but they are also there to help replace an improperly placed person, for reasons for health or for reasons of job improvement. The person who is being placed for the second time need only consult the organization for use as an employment center in finding himself a job. Here again, his aptitudes and capabilities are carefully matched to find his suitable job. Again, one of the workers will contact places for this disabled person to apply, until he is properly placed.

With a properly set up community organization, we can hope to turn out hundreds of rehabilitated persons, for one person out of 10 in the United States is physically handicapped. In the past 10 years, there were 2,611,619 placements of handicapped workers by community organizations. This indeed shows the power of the community in helping the handicapped, especially through community organizations.

In conclusion, let me point out that jobs for the handicapped are found right down on the level of the community, not on the level of Federal Government. Therefore, the community, not the State or Federal Gov-

ernments, must band together to form suitable organizations for selective placement of the physically handicapped.

These organizations must be effective in their rehabilitation and job placement of handicapped workers, for a handicapped person is not considered rehabilitated until he has been successfully placed on a job fitted to his aptitudes and abilities.

These organizations must educate the employers of the area to think positively when interviewing a disabled person. The employers must not think of the handicapped person's disabilities, but rather of his abilities, for he doesn't use his disabilities in working, but rather his abilities.

So if your community ever wishes to form an organization for helping the disabled, they must (1) be willing to help, and (2) they must remember that "Disability" is not "total incapacity."

THE NEED FOR A CLOSER RELATIONSHIP BETWEEN NASA AND OUR UNIVERSITIES

Mr. CANNON. Mr. President, about 1 month ago I addressed this body on a subject which I considered to be of vital importance to the security of the United States in the space age. That subject was the shortage of engineers and scientists available to NASA and its private industry contractors.

In my remarks I cited figures that sharply revealed the manner in which we were lagging behind the Russians in the production of engineers and scientists, and I asked a series of questions designed to point out the procrastination and unproductive paper shuffling which has marked the approach of the Federal Government toward this problem.

However, I also deplored the tendency, which has become more and more commonplace, for speakers to wring their hands in despair over our shortage of scientific and engineering personnel, and then walk away from the problem without offering any solutions. I stated that I would not have started my investigation of this problem unless I intended to propose some concrete steps which might, at the very least, help us make a beginning toward breakout from the bondage of our scientific and engineering manpower deficit.

Therefore, I wish today to outline the first of a series of specific steps which I believe will contribute in a positive manner to the overcoming of our scientific manpower shortage. I do not suggest that any or all of these steps constitute the entire answer, but I do believe that they are hopeful and useful programs aimed at combating what I am convinced is a most dangerous space age lag.

Permit me, therefore, to state at the outset the gist of my first proposal. It is simply this: to rewrite certain sections of the Space Act in order to enable our universities to become full-fledged partners in space science; and, through this partnership, to encourage more young undergraduates to aim their careers specifically toward space exploration.

I believe that it has now become imperative that we strongly supplement our dependency upon physicists, aeronautical engineers, chemists, biologists, and so on, to man our space effort. We need to

develop—and develop from the beginning—space oriented physicists, space engineers, space chemists, space biologists and so on.

In the words of Dr. Willard F. Libby, Nobel prize winner, former member of the Atomic Energy Commission, and currently professor of chemistry at the University of California:

We must make an early and firm marriage between space and education.

To quote a little more from Dr. Libby's theme:

It seems as though the space program to date has been too urgent and too immediate for the kind of long-range planning involved in this marriage, and yet long-range planning cannot be avoided in the long run.

The Federal Government and the universities must get together to see that the kind of subjects and the kind of teaching and the kind of research programs are done in the universities which are necessary to excite the interests in space of the more intelligent undergraduate students.

As I stated at the outset, we should recognize that the training of space engineers and space scientists begins in the universities. We should offer degrees specifically in the space sciences. We should have vigorous research programs in the universities staffed by our best research men. This is not done now to a degree which will solve our long-range needs. The number of high quality people in the universities who are concerned with the space program should be doubled and tripled.

If something is not done about the educational program in space, and, indeed for all science and engineering, it is clear that we will not have the highly skilled manpower to carry out the large contracts which Government is placing with industry. And, 90 percent of NASA's dollars go to industrial contracts.

In further support of this point of view I would like to quote from Mr. William Douglass, president of Careers Inc., which has been under contract to NASA during the space agency's efforts to find 2,000 in-house engineers and scientists before the end of July. Mr. Douglass says:

The disheartening thing about the NASA recruiting drive is not that there is not a flood of applicants for jobs; it is the fact that such a large portion of the men who come in for interviews—even though they have engineering degrees—are simply not qualified.

All who have studied the problem can agree that people of high intelligence can change from one interest to another—perhaps for financial or other reasons. But their heart isn't in it, usually. The man who has to leave aeronautical engineering for space engineering for financial reasons is probably on the average not as interested as the boy who begins by studying space engineering and carries it through as his life's work. For money does not make the trip to the moon possible. It is trained people with stars in their eyes who make this dream trip possible.

Having thus outlined the dimensions and characteristics of the problem, the questions now become, "How shall we

accomplish this great end?" and "How much will it cost?"

Fortunately, we do not need to approach the matter as though the question existed in a vacuum. NASA has already, even without the benefit of adequate legislation, established a number of very significant cooperative programs with a considerable number of universities. But most important of all, we have but to turn to the history of the creation of the Atomic Energy Commission to find the kind of model we need for the Space Agency.

If we recall the history of the development of atomic energy, we will see that the original concepts came out of the universities to begin with. The Atomic Energy Commission merely took this existing environment and continued to maintain the closest possible relationship with it.

In section 31a of the Atomic Energy Act as amended, the Congress directed the AEC to exercise its powers in such a manner as to insure the continued conduct of research and development, and training activities in certain specific fields of atomic energy, by private institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge of such fields.

Pursuant to this authorization, the AEC in 1955 initiated a program of aiding educational institutions to develop appropriate nuclear training capabilities.

Among the activities embarked upon by the agency were the training of science and engineering faculties at its facilities and the establishment of summer institutes for this purpose. NASA has a minor league version of this program through its system of employing college faculty members during the summer months.

The AEC also provided financial aid and expert assistance to enable universities to obtain laboratory equipment and other facilities for courses in nuclear science and engineering. The agency also established fellowship programs for scientists and engineers interested in pursuing these courses.

The AEC, too, has certain other special programs peculiar to its own nature, such as the lending of nuclear materials to universities and the training of State and local personnel in radiation control programs.

Their greatest contributions to the universities is through its multimillion dollar research and development programs. Through their highly sophisticated projects, both AEC and contractor investigators and technical participants are being systematically upgraded in experience and future capabilities.

Total Commission expenditures for contracts and grants to educational institutions in fiscal 1962, including contracts for operation of national laboratories, will amount to about \$300 million—the major portion of which is for operation of the laboratories.

By contract, NASA's office of grants and research contracts plans to invest a total of \$40 million in fiscal 1962.

The main thrust of my remarks today are directed toward the basic problem of

space science as it affects the missions given to NASA under the Space Act of 1958. It should be stressed, however, that any advances made by NASA through an improved and expanded effort in education would also be of direct interest to the Department of Defense. It may be safely stated that the interests of NASA and the Department of Defense are identical.

The leaders of both agencies and of the Congress are well aware that a new generation of space scientists may one day have the capability of neutralizing the missiles of an aggressor. And if such a scientific breakthrough is accomplished, the world will enter a new era in the prevention of warfare which will simultaneously accomplish the peaceful purposes of the space program and the technological disarmament of nuclear weapons. This and other position breakthroughs which could directly result from a greater effort in basic research should make all of us anything but complacent about the space program. It also is obvious that a breakthrough by the Soviets in this field could shift the balance of strategic power in their favor.

The list of the space agency's activities with the universities is actually an impressive one and includes such things as grants for basic and applied research, various kinds of aid for graduate students, and the like. The chief difference between NASA and the AEC is that NASA is putting together its program of cooperation with the universities by ingeniously making the best of an inadequate piece of legislation; while the AEC is—and has from its inception—operated within a well-conceived directive which has virtually welded the universities and the AEC into one continuous organization. The channels of communication between the AEC and the universities are much clearer, and better defined and better established than those between the universities and NASA.

Just as the AEC, NASA has sponsored many workshops and symposia on upwards of 250 campuses across the Nation. NASA also has done an excellent job of informing the general public about the aims and objectives of the Nation's space effort.

What is lacking, however, is the intimate relationship and educational program which characterizes the atomic energy arrangement. For example, we need a greatly expanded fellowship program in the space field. Federal grants to universities probably should include laboratories to conduct these activities.

In addition, one or more research-oriented space centers should be established. There should be university-operated laboratories for space, perhaps working in conjunction with the Jet Propulsion Lab—a research and development center under contract to NASA which currently employs about 3,000 people. JPL is operated by the California Institute of Technology.

Such university-operated laboratories should emphasize basic research in the space sciences. Perhaps they could be operated by groups of universities similar to the seven universities which operate the National Science Foundation's radio telescope in West Virginia.

Essentially, therefore, what the space program needs is a vigorous educational activity. In order to accomplish this it needs basic research laboratories operated by universities for NASA and a statutory program which will bring the universities into full partnership with the Federal Government in the space effort. Indeed, the benefits and the scope of the problem which would be served by integrating space sciences and the universities are more urgent and challenging than they were for the nuclear field because space knowledge is so diversified.

It is important that such a program contain in it the necessary ingredients to create a two-way flow of information, with the universities taking a much more active role than they have in the past in telling the Federal Government about the kind of programs which it should support in order to create an adequate and functioning space curriculum within the university structure.

Accordingly, I shall introduce an amendment which will have three main purposes:

First. To increase the number of undergraduates who will make space science and space engineering their primary field of work;

Second. To provide the National Aeronautics and Space Administration with a clear directive and the necessary funds to establish an integrated and intimate program of research, fellowships, grants and curriculum specialization with universities throughout the country along the lines already laid out by the Atomic Energy Commission, and

Third. To establish one or more university-operated space laboratories, which will stimulate basic research and train professionals in the space sciences in order that we may have a national center for the development of fundamental space knowledge and highly trained space scientists. Both are needed to assure our continued leadership in space.

It is my hope that legislation of this kind will significantly strengthen our space effort and at the same time build the study of space sciences into our overall educational structure in such a way as to constantly provide us with both the new knowledge and the specialized personnel without which we cannot maintain our leadership and competitive position.

LULAC RESOLUTIONS ON MEDICAL CARE AND ON THE FEDERAL AVIATION AGENCY

Mr. YARBOROUGH. Mr. President, shortly after World War I, citizens of Latin American descent who resided in the southwestern part of the United States formed the League of United Latin American Citizens, popularly called Lulacs. They formed a responsible, respected, and important segment of the population of the southwestern portion of the United States.

Recently, the 15th District of Texas Lulacs met in convention and among other resolutions passed Resolution 3, in favor of medical treatment for elderly citizens through the social security pro-

gram, and Resolution 4, pertaining to the Federal Aviation Agency.

These resolutions were transmitted to me by Mr. Nick Salmon, district director of the 15th District Lulacs.

I request unanimous consent that his letter of transmittal and the two resolutions identified be printed at this point in the RECORD:

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

MAY 25, 1962.

HON. RALPH YARBOROUGH,
U.S. Senator From Texas,
U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: Enclosed please find copies of Resolutions 3 and 4, which were adopted at our district convention held on May 20, 1962, at New Braunfels, Tex., which are respectfully submitted for your consideration.

Participating in the convention were councils from New Braunfels, Seguin, Floresville, Poteet, Pearsall, Lytle, La Coste, Del Rio, and D'Hanis.

Respectfully,

NICK SALMON,
District Director.

RESOLUTION 3

Whereas there are in this district a great many elderly citizens, who because of their financial circumstances, do not have proper and adequate medical treatment; and

Whereas there is legislation pending and awaiting the approval of the Congress of the United States, which would provide medical treatment for the elderly citizens through the social security program; Therefore be it

Resolved, That district 15 of the League of United Latin American Citizens, go on record as endorsing and giving all our support in favor of the legislation and program, so that our Federal Government will provide medical care and assistance to our elderly citizens through the social security program; and be it further

Resolved, That all copies of this resolution be mailed to the Honorable William Bonilla, State director of the League of United Latin American Citizens, the Honorable Frank Valdez, national president of the League of United Latin American Citizens, the Honorable Ralph Yarborough, U.S. Senator from Texas, the Honorable Henry B. Gonzalez, U.S. Representative, and all U.S. Representatives from the State of Texas, and all LULAC councils in the State of Texas.

RESOLUTION 4

Whereas an elected public official from this area was recently publicly insulted by the arrogant, defiant and disrespectful remarks from Najeeb Halaby, Chief Administrator of the Federal Aeronautics Agency; and

That on Friday, May 18, 1962, wide publicity by the press and television was given to the words expressed by the said Najeeb Halaby, wherein he referred to Congressman HENRY B. GONZALEZ, as a freshman and acting as a freshman and in so doing made mockery of Congressman HENRY B. GONZALEZ' efforts to seek an explanation or redress from the Federal Aeronautics Agency; that Congressman HENRY B. GONZALEZ was acting in the best interests of the citizens of this area by trying to prevent the relocation of the air route traffic control center from San Antonio to Houston; and

Whereas the Lulac councils comprising district 15, represent a civic nonpolitical organization which adheres to the basic American principle that our Government obtains its power from, and governs with the consent of, the people; and that every citizen has a basic right to seek redress, to seek explanations and even to question the

acts of our elected and appointed officials, and that at the same time every citizen of this country also has a basic right to be answered in an intelligent and respectful manner; that whenever an official from the Federal Government ignores and disrespects the pleas of a Congressman, that official ignores and disrespects the pleas and wishes of the people: Be it

Resolved, That this convention declare a protest to the public statements attributed to Najeeb Halaby, Chief Administrator of the Federal Aeronautics Agency with reference to Congressman HENRY B. GONZALEZ; and that this matter can be best alleviated and resolved by having both, Congressman HENRY B. GONZALEZ and Najeeb Halaby, Chief Administrator of the Federal Aeronautics Agency, appear before a public forum and fully apprise the citizens of this area of all of the issues involved in this controversy; and that copies of this resolution be mailed to the President of the United States, John F. Kennedy, the Vice President, Lyndon B. Johnson, the U.S. Senator from Texas, Ralph Yarborough, to Congressman Henry B. Gonzalez, to the Honorable Frank Valdez, Lulac national president.

ADDITIONAL OPPOSITION TO THE WEAKENING OF THE TEXAS NATIONAL GUARD

Mr. YARBOROUGH. Mr. President, I believe in a strong National Guard and a strong Ready Reserve. On April 5 and May 22, 1962, I placed in the CONGRESSIONAL RECORD numerous resolutions, orders, letters and requests from public officials, chambers of commerce, and cities and counties in Texas opposing the proposed reduction in the National Guard. Today, I have additional resolutions opposing reduction and consequent weakening of the National Guard—one from the Comal County Chamber of Commerce—New Braunfels, Tex.—and a unanimous resolution from the city council of the city of Houston opposing a cutback in the 36th Division.

I ask unanimous consent that these resolutions of the Comal County Chamber of Commerce and the city council of the city of Houston and the letter of transmittal from Mayor Lewis Cutrer of Houston be printed in the RECORD:

There being no objection, the resolutions and letter were ordered to be printed in the RECORD, as follows:

NEW BRAUNFELS, TEX., May 24, 1962.

HON. RALPH YARBOROUGH,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR YARBOROUGH: First, let me thank you for your prompt answer to my letter concerning the proposed reduction in National Guard units. Your answers were reported to our Military Affairs Committee and also to our entire board of directors. We congratulate you on your interest in this matter and favorable stand.

I stated in my letter of May 4 that you would be instructed of the board's action on the Military Affairs Committee's recommendation. At our regular board meeting Monday, May 21, the directors voted unanimously to oppose any reduction in our National Guard units. There were 23 directors present at this meeting that enthusiastically approved this action. These men are a cross section of the business and community leaders in Comal County.

Again, let me say thanks for your position and we urge you to continue close surveillance of this matter.

Sincerely,

TOM PURDUM.

HON. RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR RALPH: Enclosed is a copy of a motion approved unanimously by the city council of the city of Houston on May 3, 1962, opposing any cutback in the strength of troops assigned to the 36th Division, 143d Infantry, stationed in the Houston and gulf coast area.

We will appreciate your giving this request careful and considerate attention.

Sincerely,

LEWIS CUTRER.

MOTION NO. 62-1547

Motion by Councilman Swanson that the city council go on record in opposition to the cutback of the 36th Division, 143d Infantry, based in the city of Houston or any other units serving the gulf coast area, inasmuch as it is felt that the city of Houston and the gulf coast area must have all of the National Guard troops now assigned, and that any cut in strength would be against the public interest.

Seconded by Councilman Mann and carried.

Mayor Cutrer, Councilmen Webb, Miller, Swanson, Mann, and Goyen voting aye; nays none; Councilmen McLemore and Hassell absent.

VETERANS OF FOREIGN WARS SUPPORT COLD WAR GI EDUCATIONAL BILL

Mr. YARBOROUGH. Mr. President, S. 349, the cold war GI bill, has had consistent and strong support from the Veterans of Foreign Wars.

I have recently received a letter from Robert E. Hansen, commander-in-chief of this fine organization, restating the VFW's continuing support of the principle of a GI bill for cold war veterans.

In order to bring attention to the urgency of this act of justice for veterans of the cold war, I ask unanimous consent to have Mr. Hansen's letter printed in the RECORD:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., May 2, 1962.

Senator RALPH YARBOROUGH,
Chairman, Subcommittee on Veterans' Affairs,
Labor and Public Welfare Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: This is in reply to your letter of May 9, requesting the support of the Veterans of Foreign Wars with respect to the cold war GI bill (S. 349) which is now pending on the Senate Calendar.

The Veterans of Foreign Wars supported the principle of a GI bill for cold war veterans during the first session of this Congress. In the 86th Congress, the Veterans of Foreign Wars endorsed S. 1138, the cold war GI bill which was approved by the Senate but died on the House side when that Congress adjourned. With the cold war taking on more and more the aspects of a hot war, I see no reason why the Veterans of Foreign Wars should abandon its position that readjustment benefits should be provided for cold war veterans who have traveled far from home and served in places all over the world to carry out the security commitments of our Nation.

It is noted that S. 349 specifically excludes persons serving their active duty obligation as a 6 months reservist. In other words, only those members of the Armed Forces who have been called up for active duty and have

MAY 4, 1962.

served more than 180 days will be entitled to benefits under the terms of this bill. The Veterans of Foreign Wars has approved of this type of legislation primarily because it would include those veterans who have made a considerable sacrifice serving their country at a time of great need and peril while others, including some reservists, have had little or no interruption.

I would be remiss in my duty if I did not mention that the recommendation made by the Bureau of the Budget to assign operation of the vocational rehabilitation program for disabled veterans to the Department of Health, Education, and Welfare instead of the Veterans' Administration is vehemently opposed by the Veterans of Foreign Wars. In fact, any provision to assign the vocational rehabilitation program or any veterans' education program to the Office of Education of the Department of Health, Education, and Welfare is totally unacceptable to the Veterans of Foreign Wars. We are depending upon your leadership to make certain that this recommendation by the Bureau of the Budget will be ignored and that any vocational rehabilitation program for disabled veterans will be administered by the Veterans' Administration which has a very highly successful record and gained invaluable experience administering similar programs for disabled veterans of World War II and the Korean conflict.

The Veterans of Foreign Wars, therefore, is in agreement with the principle that there should be some readjustment benefits provided for those veterans who have served on active duty in our Armed Forces for more than 180 days. Servicemen serving this length of time will include 155,000 reservists and National Guardsmen recently called up for active duty during the Berlin crisis who are scheduled for release this summer. This group will also include those who will be eligible for the Campaign Expeditionary Medal and Purple Heart award which were recently authorized by President Kennedy.

Sincerely yours,

ROBERT E. HANSEN,
Commander in Chief.

HOUSTON WORLD TRADE ASSOCIATION RESOLUTION ON TARIFFS ON CARPET AND GLASS

Mr. YARBOROUGH. Mr. President, the Houston World Trade Association of Houston, Tex. has forwarded to me a resolution opposing certain increases in tariffs. The resolution speaks for itself; and the action of this group represents the world trade interests of the port of Houston, Tex., as expressed in this resolution.

I ask unanimous consent that the Houston World Trade Association resolution on certain tariffs be printed in the RECORD at this point:

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSTON WORLD TRADE ASSOCIATION RESOLUTION

Whereas it is known that the Houston World Trade Association is, in general, opposed to efforts to protect American commercial and business interests by legislation designed to reduce or to eliminate competition from abroad in our markets, in that such legislation, ultimately, weakens America's position in world trade; and

Whereas, an increase in tariff on crown, cylinder and sheet glass and an increase in Brussels, Wilton and velvet carpeting has been approved and adopted by the United States of America; and

Whereas, Belgium, a nation which the United States has always had friendly and

mutually beneficial trade relations, is the obvious target for this discriminatory action; and

Whereas, the port of Houston has long enjoyed a trade relationship with Belgium, with Belgian products flowing through Houston, and American goods being exported, in far greater quantity, to Belgium from the port, which is now jeopardized by these tariff increases: Now, therefore, be it

Resolved by the Houston World Trade Association, That, pursuant to its dedication to the principles of freer trade, the association is opposed to the increases on tariffs and duties on Brussels, Wilton, and velvet carpeting, and the increases on tariffs and duties on crown, cylinder, and sheet glass, and declares this action to be inimical to the best interests of the people of the city of Houston, the State of Texas, and the people of the United States of America; be it further

Resolved, That any action taken by the Houston World Trade Association be made known to the elected representatives from Texas in the Congress of the United States of America.

FACE OF DISTRICT OF COLUMBIA OF CONCERN TO ALL OF UNITED STATES

Mr. YARBOROUGH. Mr. President, an editorial published in the Houston Chronicle Saturday, April 24, 1962, is a clear, emphatic statement of the Nation's interest in the problems of planning and maintenance and overall management of the national property in the District of Columbia.

I ask unanimous consent to have the Chronicle editorial entitled "Washington, D.C.: Our Public Face" printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.: OUR PUBLIC FACE

Washington is in trouble. As it has grown, it has had trouble keeping up with its problems. The Capital City, thoughtfully planned by Pierre Charles L'Enfant on the site picked by a romantically inclined George Washington, is our No. 1 public face.

Much of Washington's property is Government owned and tax exempt—more than any other city—and it has always had to have the help of a benevolent Congress to keep its cherry blossoms blooming, its monuments scrubbed, law and order preserved.

The amount of Federal money is not fixed and has varied greatly, making budgeting and future planning difficult.

If the Federal Government were to assume the share of the budget that big business does in other cities, it would be spending far more than it ever has.

Now there is a bill before Congress which proposes a formula for determining regular payment to the District of Columbia. It provides automatic payment, and insures the District of a fixed income from the Government. With a definite commitment which would be adhered to, budget planning could anticipate crises several years in advance and take necessary corrective steps.

What's good for Washington is good for Houston. This bill will give Washington the hand it needs.

ALEXANDER KARTVELI OF REPUBLIC AVIATION

Mr. KEATING. Mr. President, I should like to take this opportunity to extend my best wishes and congratulations to Alexander Kartveli, one of the most prolific designers of military air-

craft this country has ever known, on the occasion of his imminent retirement from Republic Aviation Co. at Farmingdale, Long Island. For three decades aircraft he has designed have been in front-line duty in World War II, Korea, and in continuing cold war crises.

Alexander Kartveli was born in the province of Georgia in Czarist Russia and was educated in aeronautical schools in Paris. He came to the United States in 1927 and has distinguished himself as the principal aeronautical designer for Republic Aviation Corp. He will retire this June as vice president of research and development of that company.

But the company, the aerospace industry, and the United States are fortunate in that he will continue his imaginative contributions as a working consultant. His planes include the P-47 Thunderbolt of World War II and a long family of F-84 jet fighters used in Korea. The world's first aircraft capable of speed three times that of sound—an all-titanium plane—was developed by Kartveli in 1959. A 450-mile-an-hour transport was developed by him in 1945, years before others matched it. In fact, the principal aerial weapon with our Air Forces in Europe now is the supersonic F-105D fighter-bomber.

All of these are Kartveli designs. In one 6-year period alone, aircraft he designed set nine world speed records, won eight major aviation awards, and were cited for 28 other flight performance and operational achievements.

This is a record that Alexander Kartveli and Republic Aviation can be proud of. I am confident that, with designers and leaders of this caliber, Republic Aviation will continue as a pioneer in our Nation's efforts aloft, contributing to the strength of our Nation and to the ultimate victory of freedom for all nations.

MOVING PRODUCTS INSTEAD OF FARMERS

Mr. MUNDT. Mr. President, one of the truly great and highly respected farm journals of America is the Dakota Farmer published in Aberdeen, S. Dak. It has a large circulation in the two Dakotas and in neighboring farm States and is reliably and responsibly edited by a corps of carefully selected experts on farm matters.

Consequently, I am highly pleased that a recent issue of the Dakota Farmer contained an editorial entitled—"Moving Products Instead of Farmers" which gives support to my amendment to the current Senate farm bill whereby title 5 of that bill proposes to set in motion an expedited and stepped up program to develop industrial uses for farm products.

It has long been my position, Mr. President, that a permanent solution to the farm problem is going to require our paying more attention to the supply end of the supply and demand formula and devoting less of our attention and money trying to evolve new techniques for regulating or reducing the productivity of American farms. Title 5 of the farm bill enacted by the Senate last Friday is

designed to set in motion such a program.

I ask unanimous consent that the Dakota Farmer editorial be printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOVING PRODUCTS INSTEAD OF FARMERS

Few can take exception with Senator Karl Mundt's proposal that "we strive to find new uses for farm products rather than new uses for farmers."

Fortunately, he has introduced and had this idea accepted as part of the proposed Food and Agriculture Act. The amendment would establish a special action agency for developing new uses for agricultural products. It would set into operation a program which should be a partial answer to our overproduction problems.

For some years the U.S. Department of Agriculture has been operating regional research laboratories to explore and find new uses for farm products. Many good ideas have developed and are now being used industrially to divert farm products into "demand" areas.

But research is only one small part of the problem. In addition, market tests and efforts at merchandising agricultural products should be part of the overall program of finding new uses for surplus commodities. This is an area where Government participation may have to give way to private selling and merchandising—to men who have firsthand, practical knowledge.

It is our hope that the "new use" idea continues to be accepted rapidly, as it certainly is a realistic way to help solve the surplus problem.

THE SERVICE OF SECRETARY OF THE ARMY ELVIS J. STAHR, JR.

Mr. COOPER. Mr. President, very soon the Secretary of the Army, Hon. Elvis J. Stahr, Jr., will terminate his service to become president of the University of Indiana. Mr. Stahr, although a young man, has achieved a record of distinguished service in many fields—as a lawyer, a teacher of law, and dean of the Law College of the University of Kentucky, as president of the University of West Virginia, as an adviser to the State of Kentucky and the Federal Government on many issues of State and National concern, as a distinguished officer in the Army during and after World War II, and most recently as an able Secretary of the Army.

I have no doubt that his ability will find larger scope as president of the University of Indiana, one of the great universities of our Nation. And, I have no doubt that he will continue to render special service to our Nation, as he has done in the past. I know that he carries with him the best wishes of the Members of the Senate.

Mr. President, I ask unanimous consent to insert in the body of the RECORD the attached letters from the President of the United States and Secretary Stahr.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 1, 1962.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: The board of trustees of Indiana University on April 27

invited me to accept the presidency of the university upon the retirement of President Herman Wells next July first. In order that I may be free to accept the board's invitation, I request your acceptance of my resignation as Secretary of the Army, effective June 30, 1962.

Higher education has been for many years my career, and, as you know, I relinquished the presidency of West Virginia University in January 1961 only because I shared your conviction about the need for our country to develop a much stronger Army in a time of prolonged and serious external threat to the basic values of peace, freedom, and human dignity.

The opportunity to lead one of America's great universities comes to few men even once in a lifetime. Yet even now that I have been invited to lead one of the greatest, I would be reluctant to ask you to release me after a year and a half as your Army Secretary were it not that the Army has moved during that period to a distinctly higher plateau and our basic objectives for it have now been clearly mapped and moved far along the road to accomplishment.

I am extremely proud of the Army's progress during the past year. The number of combat-ready divisions has grown from 11 to 16; the number of ready-to-go divisions in strategic reserve has grown from 3 to 8; the size of the highly important Special Forces has been more than doubled; the overall strength of the Active Army has grown from 870,000 to more than a million; our Army Forces in Europe have been very substantially strengthened and the Berlin garrison reinforced; our Army's assistance to hard-pressed South Vietnam has been greatly augmented; the US STRIKE Command has been formed, and still other steps have been taken which will facilitate increased teamwork between the Army and her sister services; advanced concepts for countering guerrilla aggression and other internal security threats to free nations have been evolved; the Army's budget for the vital need of procurement of weapons and equipment has risen over 60 percent, and encouraging progress has been made in developing new weapons and equipment and in getting these into the hands of our troops.

But this is not all. During the past year the basic work has also been accomplished in the Army on four major organizational actions. A thoroughgoing restructuring of the Department of the Army headquarters and of the major field and technical commands in the continental United States has been planned, approved and moved well along toward implementation. A new and forward-looking concept for reorganizing Army combat divisions (Road) has been developed, and the two Regular Army divisions which were activated in January are being organized and trained under this concept. A modernized concept of Reserve readiness was developed last spring and subsequently refined to take advantage of experience gained in the partial mobilization last fall. And a new ROTC program of great significance has recently been readied for consideration by higher authority.

These accomplishments in every case have been the result of enormous contributions on the part of many dedicated people. I relate them, therefore, not to claim any credit but to explain why I feel free to ask your leave to accept a most exceptional opportunity in my chosen field.

As I know you fully recognize, higher education is itself a matter of very great national importance. The presidency of Indiana University, so ably filled by Dr. Wells for the past 25 years, is certainly one of the most challenging and attractive posts in my profession. I count myself highly privileged to have it offered to me.

I also count myself highly privileged to have served in such exciting times in your administration, under Secretary McNamara,

with the leaders of the other services, and especially with General Decker and my other splendid colleagues, civilian and military, in the Army. I hope that I need not tell you how much your personal support has meant to me and to the Army. The Army has played a very large role in several periods of my life; I shall always be devoted to it, and I am confident that its progress will continue to have your strong support.

Most respectfully,

ELVIS J. STAHR, Jr.,
Secretary of the Army.

MAY 2, 1962.

DEAR ELVIS: It is with regret and reluctance that I accept your resignation as Secretary of the Army effective June 30, 1962. Your personal dedication to the task and to the Army has been an inspiration to the men and women of the U.S. Army. You can take up your new and most important post at Indiana University with great satisfaction of a job well done and a service truly performed for the Government and the people of our country.

Your conduct of Army affairs has been an outstanding example of good management. Your policies of recognition of young talent, of examination and adoption of new doctrines and techniques, and emphasis on vigorous leadership for our Army marks your tenure as Army Secretary.

In an uneasy period of international tension, under your leadership the Army has effectively performed its mission. The improvements made are important ones; the sacrifices that have been made are appreciated deeply by the American people; and the pride and high esprit of the Army today is more than justified.

There is no way to compare the importance of the post you have just filled to the presidency of a large university. In a sense, however, you can contribute directly to the future of our Nation and prepare new citizens for the greater challenges to come in your post. It is a worthy one and I want you to know that my personal wishes for success go with you.

I know that Secretary McNamara and your colleagues, both civilian and military, join with me in expressing our thanks for your loyal cooperation.

I have personally enjoyed our association. I sincerely appreciate your untiring service and the effectiveness with which you have met your manifold responsibilities.

With warm regards and best wishes.

Sincerely,

JOHN F. KENNEDY.

AMERICAN PRESS PATHETICALLY INADEQUATE ON FARM BILL

Mr. PROXMIER. Mr. President, last week during the entire week from Monday through Friday the U.S. Senate—sometimes called the world's greatest deliberative body—debated the farm bill. For 6 million American farmers, tens of millions American taxpayers and 180 million consumers this bill was of the greatest importance.

But, Mr. President, the reporting of this crucial farm bill by the Nation's press can only be considered pitifully inadequate.

From Monday through Thursday noon while debate was occupying the full time of the Senate there was hardly a word reported in most of the great newspapers of the country on this complex measure. These days offered a wonderful opportunity for newspapers to make clear to their readers the vital issues involved in the bill, and to begin the essential job of explaining the complicated

issues involved in the farm problem and coming to a head in the debate on the floor of the Senate.

But the Nation's press was generally silent.

Only when the voting began on Thursday did reports begin to trickle out to American farmers, taxpayers, and consumers, and then the reports were too often in error—sometimes in gross error.

For example, one of the main wire service reports that went out after the bill was passed stated that small farmers were exempt from the feed grain limitations of the bill. This, of course, was completely wrong.

SMALL FARMERS NOT EXEMPT

One of the most controversial aspects of the bill is that over 1 million small feed grain producers, almost all of whom feed every bushel they produce on the farm will be limited and strictly limited under this bill in their production of corn—even corn for silage—as well as grain sorghums. No feed grain farmers—I repeat no feed grain farmers—will be exempt. It is true that those who produce less than 25 acres of feed may elect not to vote in the referendum—in which case they will be excluded from any cut-back—but they will still be limited to their 1959-60 base in what they produce, no matter how small they are.

How in the world can this be construed as an "exemption"? For more than a million small farmers will not be exempt. They will be strictly limited. If they rely on their newspaper, this report will be a cruel deception.

EXPERTS DO NOT AGREE REFERENDUM WILL WIN

Another example—the National Observer—a fine paper that has shown the same excellence as its parent paper, the Wall Street Journal—reported yesterday on the bill that "All farm experts agree that farmers will vote overwhelmingly for mandatory controls for feed grains."

Mr. President, this is just 100 percent wrong. For the past month I have appealed to the Department of Agriculture and others for any indication that two-thirds of the farmers will vote favorably in this referendum.

The fact is that Mr. Sam Lubell, the highly reputable professional polling expert, after interviewing thousands of farmers has concluded exactly the opposite—not only that less than two-thirds will vote for quotas, but that an absolute majority will reject them.

The National Observer fails to come up with any specific expert who will contend that farmers will vote for quotas for a good reason—there are not any.

RED FACES FOR PRESS IF VOTE NO—PRESS IGNORES NEW PRINCIPLE IN BILL

The very poor job of the press in reporting this story is not confined to inaccuracies. The most grievous error is the failure of newspapers and magazines to make clear that this bill provides a new and revolutionary approach in farming and especially in farm referenda. The feed grains referendum may fail because of this. The new principle is that the mandatory feed grain program limits farmers who do not sell a bushel of feed off their farm. Two-thirds of the farmers voting in the feed grain referendum

do not sell feed grains. For this reason they will be voting for a limitation on their production of feed and silage on their own farm, but with no likelihood of an increase in their own income. If farmers vote "yes" in the feed grain referendum they are voting to limit their own feed and silage acreage and to increase the cost of the feed they buy, but they will still be tied down to low dairy price supports. Is it any wonder that hundreds of thousands of dairy farmers will be likely to vote "no"?

But this new principle of farmers being limited in the production of a crop which they do not sell but feed exclusively on their farm was all but forgotten in press reports.

Mr. President, I reluctantly make this criticism because I think that by and large the American press does a good job and is improving in reporting public affairs.

The 1962 farm bill debate in the U.S. Senate, however, is an example of the press' failure to report one of the most crucial and significant stories that confronts American farmers, taxpayers, and consumers.

WITHHOLDING OF INCOME TAX ON INTEREST AND DIVIDENDS

Mr. DOUGLAS. Mr. President, during the hearings before the Committee on Finance on the current tax bill, the Franklin National Bank, of Long Island, N.Y., showed a almost unique sense of its public responsibility by openly advocating the withholding of income tax on dividends and interest. The representative of that bank, Mr. Sedlik, acting upon instructions from the directors of the bank, stated very clearly that this proposal was merely the application to dividends and interest of the same rules as are now applicable in the case of wages and salaries. He stated, further, that there should be no more favorable treatment given to dividends and interest than is accorded to wages and salaries.

Mr. Sedlik also testified that the administrative cost to a bank would be relatively small, his estimate being that it would be 70 cents per \$100 withheld in the first year and only 30 cents per \$100 in taxes withheld in succeeding years.

Today the Franklin National Bank has placed us still further in its debt by

publishing a series of advertisements in a number of eastern and national newspapers, stating that "When withholding of income tax on savings account interest becomes law," the Franklin National Bank will itself pay refunds of withholding to the eligible Franklin depositors at tellers' windows, in cash, immediately, and at no charge; that it will not be necessary for their depositors to send refund claims to Washington or to wait for refund checks from Washington; and that the Franklin National Bank will arrange for exemption from withholding for depositors who are not subject to the payment of a Federal income tax. This is truly an extraordinary, constructive service. I hope it will make the issue clear.

I commend the chairman of the board of the Franklin National Bank, Mr. Arthur T. Roth.

I ask unanimous consent that the advertisement published in the New York Times today be printed at this point in the RECORD.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

NOTICE: A NEW PUBLIC SERVICE

When withholding of income tax on savings account interest becomes law refunds of withholding will be paid to eligible Franklin depositors: At tellers' windows, in cash, immediately, at no charge.

Those eligible need not: Send refund claims to Washington or wait for refund check from Washington.

If you are not subject to the payment of Federal income tax: Franklin will also arrange for exemption from withholding.
FRANKLIN NATIONAL BANK.

Mr. DOUGLAS. Mr. President, I hope the example of the Franklin National Bank will take effect among other banks.

FISH PROTEIN CONCENTRATE

Mr. DOUGLAS. Mr. President, I take this opportunity to congratulate the distinguished junior Senator from Massachusetts [Mr. SMITH] for his speech on the ailing American fishing industry. Last Thursday, May 24, the Senator from Massachusetts presented a most profound study of the neglect of a vital industry. In an able delivery, he outlined a seven-point program to save the American fishing industry. I commend him for his excellent presentation, and I praise him for calling for help for an

industry which can hold the key to solving the problem of hunger in the world.

If America does not strive to utilize the great benefits which can be had from the sea, other nations will step in to do so. Nature abhors a vacuum. The vacuum of neglecting the food potential of the sea and of the inland waters will be filled, and I believe America should be one of the countries to fill it.

I was delighted last year when Congress appropriated \$50,000 to the Department of the Interior to conduct a study of methods for the manufacturing of fish protein concentrate. I hope other studies will be made and that action will be taken upon the results of those studies.

With Senators such as BENJAMIN A. SMITH of Massachusetts rousing the Nation on this important subject, I am confident that America will rise to the challenge of producing from the oceans the vast stores of potential food which they hold and which mankind needs.

I also hope that the Food and Drug Administration may learn the importance of these sources of food.

ADJOURNMENT

Mr. McNAMARA. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 56 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, May 29, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 28 (legislative day of May 25), 1962:

DIPLOMATIC AND FOREIGN SERVICE

William C. Battle, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

The following-named cadet, graduating class of 1962, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3284 and 4353.
Fagan, John H.

TAX COURT OF THE UNITED STATES

The following-named persons to be judges of the Tax Court of the United States for terms of 12 years from June 2, 1962. (Reappointments.)

Craig S. Atkins, of Maryland.

Norman O. Tietjens, of Ohio.

Clarence V. Oppen, of New York.

EXTENSIONS OF REMARKS

National Calamity of Dropouts

EXTENSION OF REMARKS OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 28, 1962

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from an address prepared by me for delivery

at the DeVry Institute dinner at Chicago, Ill., on May 24, 1962, on the subject of the urgency of expansion in American technical education, and finding the answer to dropouts.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

NATIONAL CALAMITY OF DROPOUTS

I would like to explain my deep satisfaction in being with you of the DeVry Institute this evening. There are few things happening in America today that I consider of greater significance than what you are

doing here at DeVry. Technical education, especially electronic education, has reached a measure of importance in America's present and future which as recently as 10 years ago would have seemed utterly fantastic to most of us. Yet, important as such education is by now, we can tell already that on a national level it is only in its infancy. It is our job now to help it grow up.

Only the very naive could be unaware that there are many reasons for what will be my subject this evening: The urgency of expansion in American technical education and finding the answer to dropouts.

This is a notable occasion and a notable gathering; and I want to congratulate Mr.